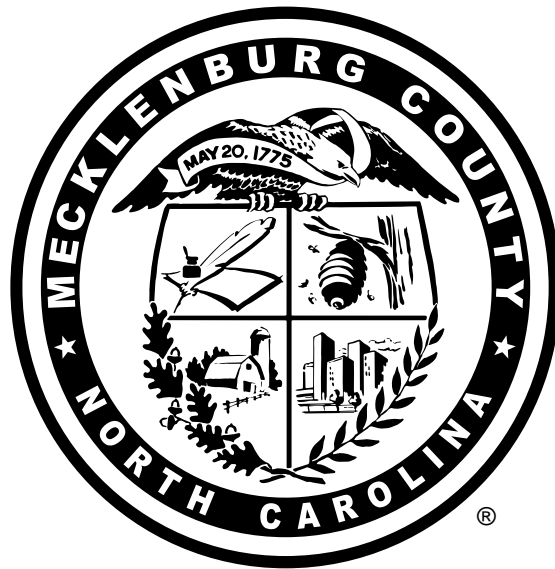


Mecklenburg County North Carolina



Comprehensive Annual Financial Report *For the Fiscal Year Ended June 30, 2000*

Vision and Mission Statement

Mecklenburg County serves and partners with citizens to build and maintain a safe, healthy, livable, prosperous, well-governed and unified community.

www.co.mecklenburg.nc.us/cofinance

Mecklenburg County *North Carolina*



Comprehensive Annual Financial Report *For the Fiscal Year Ended June 30, 2000*

*J. Harry Weatherly, Jr.
Director of Finance
Prepared by the Finance Department*

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Introduction

The Introduction includes a summary of the major highlights of the report.

MECKLENBURG COUNTY

J. Harry Weatherly, Jr.
Director of Finance

September 26, 2000



The Board of County Commissioners
and County Manager
Mecklenburg County
Charlotte, North Carolina

The Comprehensive Annual Financial Report (Report) of Mecklenburg County for the Fiscal Year Ended June 30, 2000 is submitted herewith. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County. I believe the data, as presented, are accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain an understanding of the County's financial activity have been included.

The Introductory Section of this Report includes this transmittal letter, which concisely presents significant aspects of the Report, the organizational chart, and discussions of Mecklenburg County entitled *Five Year Comparative Trends of Major Revenues and Expenditures by Core Business* and *Facts and Information About Mecklenburg County* which follow this letter. The Financial Section of the Report contains the independent auditors' report, the general purpose financial statements and individual balance sheets and operating statements for all fund types and account groups. A complete summary of significant accounting policies is included in Notes to the Combined Financial Statements (A-6). Required supplemental information is included as a new section to present certain disclosures. These sections are followed by more detailed statements for all fund types and account groups. The Statistical Section of the Report provides selected financial and demographic trends.

The criteria used in determining the reporting entity are consistent with the Governmental Accounting Standards Board Statement 14, "The Financial Reporting Entity." In addition to funds and account groups of Mecklenburg County, the combined financial statements include the discrete presentation of three legally separate entities, the Public Library of Charlotte and Mecklenburg County, the Mecklenburg County Alcoholic Beverage Control Board and the Mecklenburg Emergency Medical Services Agency. These entities are component units of the County as defined in Statement 14.

ECONOMIC CONDITIONS AND OUTLOOK

Individuals and businesses continue to be attracted to the thriving region. Mecklenburg is the center of the nation's fifth largest urban region, with Charlotte, a mid-sized city, as the largest city. Charlotte has emerged as a financial, distribution and transportation center for the entire urban region. This region is also the only major distribution center between the Northeast, Midwest and Florida markets and a major wholesale center with the highest per capita sales in the United States. The pro-business environment in Mecklenburg is evidenced by the growth in the area. During the past ten years, nearly 8,400 new firms have invested \$5.5 billion in new Charlotte facilities. During 1999, new and expanded firms in Mecklenburg County created 19,758 additional jobs and invested \$1.4 billion in facilities.

Mecklenburg County financial institutions have raised the status of the area as a leading financial center. This financial center has \$855.5 billion in assets, making it the second largest in the nation. Bank of America and First Union, two of the nation's top ten banks, are headquartered here.

High quality, reliable utility services are available and economical, especially when compared with other areas of the country. An excellent highway network, consolidated rail service and a modern international airport make worldwide access from Mecklenburg County a major advantage. All these factors continue to attract business to Mecklenburg County and make it a livable community.

Letter of Transmittal

The availability of a competent workforce is evidenced by the number of firms continuing to locate in Mecklenburg County. This expanded business presence provides employment for the growing population in the County. During the last ten years, the population of Mecklenburg County, now 661,091, has grown more than 31% and employment about 27%. Nearly 500,000 people work in the County. The unemployment rate in Mecklenburg County at June 2000 was 2.7% compared with 3.6% for the state and 4.2% nationally.

MAJOR INITIATIVES

Mecklenburg County serves and partners with citizens to build and maintain a safe, healthy, prosperous, well-governed and unified community. This is the vision and mission statement of Mecklenburg County. *Priority 2000* enumerated the Board of Commissioners' goals for providing programs and services that addressed those identified priorities.

Technology for a comprehensive information and assistance service for senior citizens, adults with disabilities and their caretakers, *Just 1 Call*, was put in place by the Department of Social Services. This effort involved a collaboration of public and private agencies working to provide a one-stop shop that puts customers on the telephone line with trained social workers who can do the work necessary to get callers the help they need.

Court Services, in collaboration with other criminal justice systems and the Administrative Office of Courts, is working to develop a criminal justice information system that will modernize tasks from booking through arrest processing through information for the courts.

Funding was secured for a Juvenile Day Reporting Center which will serve 45-50 juveniles when it opens in 2002. The Sheriff's Department also implemented a Reality Program to help educate area youths about the long-term effects of criminal activity.

The Services for Adults Division of the Department of Social Services began new transportation services for the elderly, veterans and the disabled using revenue from the new half-cent sales tax, levied by the County for transit needs.

Cooperative Extension's *Successful Gardener* newsletter provides timely, research-based horticultural information. This award-winning newsletter is part of a statewide horticultural program that includes the Extension's Regional Successful Gardener seminar series and County workshops.

The Leadership Education and Development Academy (LEAD) was established to encourage professional development among internal leaders. Eleven core competencies form the basis for the curriculum. In addition to traditional classroom sessions, a variety of experiential learning assignments accelerate participants' preparedness for leadership roles. LEAD 2000, the inaugural class, had 12 graduates.

Mecklenburg County has made great strides to establish a long-term, balanced approach to decrease the cost of flood losses. This balancing is demonstrated by aggressively mapping floodplain areas to help in preventing future losses on what is now undeveloped property, as well as the acquisition of 116 flood-prone structures. The Storm Water Division of Engineering and Building Standards Department has secured over 40% of the funding for the \$1,400,000 mapping project and 60% of the funding for the \$13,000,000 floodplain acquisition program from Federal and State sources.

The Budget Department implemented a new budgeting application, BRASS, for the development of the fiscal year 2001 operating budget. A new capital budgeting system will be developed for fiscal year 2002.

In November 1999 voters approved \$486.8 million in general obligation bonds. Nearly 50% of the referendum was for land bonds to acquire land for future use by Mecklenburg County and its agencies. Also approved were \$90.5 million for court facilities, \$52 million for park and recreation facilities, \$34 million for library facilities, including a Children's learning center, \$7.5 million for Historic Preservation and \$82.6 million for Central Piedmont Community College facilities.

In January 2000 the County issued \$104 million in general obligation bonds, \$54 million at 4.98% fixed rate and \$50 million variable rate. To meet immediate Charlotte-Mecklenburg Schools capital needs based on growth, the Board authorized the County to incur obligations evidenced by installment financing Certificates of Participation, totaling \$50 million. The County issued \$25 million of this financing in March 2000 at a variable interest rate.

The U.S. 521 Landfill opened in April 2000. This landfill accepts construction and demolition debris and houses a recycling center. The Solid Waste Management Division of Engineering and Building Standards received 5 awards from the Carolinas Recycling Association recognizing the County's continued commitment to reducing solid waste.

In an effort to increase public awareness of County government, the Public Service & Information Department (PS&I) coordinated and promoted six County Commission Town Meetings. In collaboration with WSOC-TV, the first Electronic Town Meeting was held, reaching more than 47,300 homes. In April 2000 the County held the Mecklenburg County Fair which featured a variety of entertaining and fun activities, exhibits and a special County Commission meeting to encourage participation in and educate about the County government.

Mecklenburg County was the site for *Crossroads for Change*, the successful National Association of Counties (NACo) annual conference in July. More than two years of planning and many volunteer hours helped make NACo 2000 a wonderful learning experience for over 5,000 delegates, many of whom were first-time visitors to the area.

At the NACo conference Mecklenburg County won 10 awards for programs and services. PS&I won an award for the *Electronic Town Meeting*. The Department of Social Services (DSS) Senior Nutrition program was recognized for *Meal Bytes*, a software package developed with Information and Services Technology Department, that summarizes statistics about meal and supplement distribution for homebound seniors, and for providing more than 2,500 *Meals to Hurricane Floyd Victims* in eastern North Carolina. The Community Resources Office of DSS worked with a local grocery store to encourage shoppers to donate free holiday meals from the store to DSS clients for the *Food Giveaway Coupon Program*. The Public Library of Charlotte and Mecklenburg County *Bookhive* website offers children's book reviews for parental and teacher use in selecting age-appropriate reading material. *Priority 2000*, a goal-setting and evaluation process for the County, was recognized. The Area Mental Health Authority's *CASCADE* program is a holistic continuum of care for substance abusing women. The Services for Adults division of DSS designed a new interactive, high-tech *employee orientation* that focuses new employees of the mission of Services to Adults and sets expectations in delivering quality services to clients. DSS contracted with the Charlotte Chamber of Commerce to begin a comprehensive *awareness campaign* with local businesses on welfare reform and the hiring opportunities presented through the Work First program. The Youth and Family Services division of DSS and the Charlotte-Mecklenburg Schools partnered to provide quality education and protective services for children whose health welfare and safety are at risk.

After 20 years as Mecklenburg's chief administrative officer, County Manager Gerald G. Fox retired. Under his leadership, the County has received numerous awards as well as international recognition. During his tenure the County has grown in population from 400,000 to more than 660,000. The Board of Commissioners selected Assistant County Manager Harry L. Jones, Sr. as his successor.

The budget and work program adopted for fiscal year 2001 represents the Board's strong commitment to continue addressing community priorities. The Board maintained the \$.73 per \$100 assessed valuation tax rate adopted last year. The tax rate provides programs and services for a safe, healthy, livable, prosperous, well-governed and unified community. Funding for new and ongoing programs will retain most current service levels, open new voter-approved facilities and address the increasing demands for services. The allocation for the Charlotte-Mecklenburg Board of Education increased by \$20.9 million to address growth and equity issues. Central Piedmont Community College received additional funds to open the West Campus, provide for a salary increase and continue the pay-as-you-go program. A full year of operational resources is included for the Thomas M. Wingate District Park and the landfill on U.S. 521. The Jail Central expansion project is scheduled for completion in January 2002 and 160 new positions to be filled in increments were approved for that facility. The separate tax rate for the Law Enforcement Service District decreased to \$.0576 per \$100 assessed valuation. The fiscal year 2001 budget includes \$31.5 million as the County's portion of the one-half cent transit sales tax approved by the voters in November 1998. The proceeds from the County's portion will be disbursed to the City for public transit operations. The \$927.2 million adopted budget and work program represents a 5.1% increase from the amended fiscal year 2000 budget.

The Board approved a \$280.6 million Capital Improvements Program (CIP) for the Charlotte-Mecklenburg Schools for fiscal year 2001. A \$275.5 million bond referendum is scheduled for November 2000 to authorize funding. This program was in addition to the approved \$566.8 million 2000-2002 CIP. Funds for land acquisition for future usage, \$220 million, represent 38.8% of the CIP. A new courthouse and parking facility, community college renovations and expansions, park development and renovations, and a new Children's Learning center and branch libraries make up nearly 60% of the adopted program. A \$486.8 million bond referendum approved in November 1999 provided most of the funding for this program. The remainder will be funded with non-voted debt and installment financing.

FINANCIAL INFORMATION

The County maintains a system of internal controls to provide reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition that financial records are reliable for preparing financial statements and that accountability for assets is maintained. The concept of reasonable assurance recognizes that the cost of internal control should not exceed benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management. Budgetary control is maintained through the use of an encumbrance system. As purchase orders and contracts are issued, corresponding appropriations are reserved by the use of encumbrances for later payment so appropriations may not be overspent. Open encumbrances for outstanding purchase orders at the end of the County's fiscal year are reported as a reservation of fund balance and reappropriated for payment in the subsequent year.

The North Carolina Local Government Commission, a division of the State of North Carolina Department of the Treasurer, serves as the regulatory agency charged with enforcement of the North Carolina Local Government Budget and Fiscal Control Act. In addition, the Commission assists units of local government in the area of fiscal management and is responsible for the approval, sale and delivery of local government bonds and notes.

The Budget and Fiscal Control Act governs all local governments and their agencies in North Carolina. All moneys received or spent by local governmental agencies must be budgeted, disbursed and accounted for in accordance with this Act.

Letter of Transmittal

The Local Government Commission assists local units in the administration of a financial system that conforms to legal requirements as set forth in the General Statutes.

REVENUES

Governmental and Expendable Trust Fund Type revenues, exclusive of Capital Projects, continued to increase during fiscal year 2000, exceeding the prior year by \$119.7 million (16.4%) as shown in Exhibit 1.

Exhibit 1

COMPARATIVE STATEMENT OF REVENUE Governmental Fund Types and Expendable Trust Funds (Capital Projects Excluded)

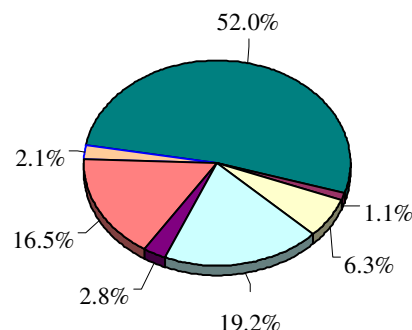
Source	Fiscal Year Ended June 30,		Percent Increase (Decrease)
	2000	1999	
Property taxes, penalties, and interest	\$ 441,187,556	\$ 394,096,106	11.95%
Intergovernmental revenue	163,125,078	136,259,093	19.72
Sales tax	139,979,988	98,800,802	41.68
Charges for services	53,282,317	53,270,060	0.02
Interest earned on investments	23,524,592	21,653,385	8.64
Licenses and permits	17,911,117	16,086,280	11.34
Other	8,866,582	8,022,859	10.52
TOTAL	\$847,877,230	\$728,188,585	16.44%

The composition of the County's revenue dollar is illustrated graphically in Exhibit 2. Property taxes (including penalties and interest) continue to be the major source of revenue for the County. The tax rate was increased from 68.5 cents to 73 cents and combined with the assessed valuation increase of nearly \$3.3 billion, resulted in a 12% increase in property tax revenue. A portion of the tax revenue is for the Law Enforcement Service District which allocates the burden of paying for police operations in the unincorporated areas of the County among the taxpayers who utilize their services. The separate levy for this district was \$5.2 million. Sources of total assessed valuations are shown in Exhibit 3. Real property and automobiles, boats, trailers and income-producing personal property are subject to property tax unless specifically exempted by North Carolina statutes. Business personal property of retailers' and wholesalers' inventories is exempt. However, the State provided partial reimbursement for taxes lost from these excluded properties. A detailed discussion of the tax rate is provided in the section entitled *Facts and Information About Mecklenburg County*.

Exhibit 2

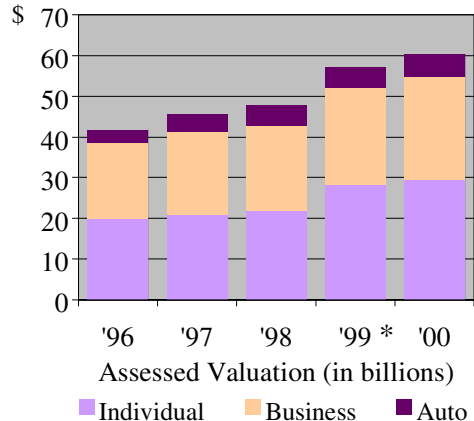
Revenue Sources - Fiscal Year 2000

- Property taxes, penalties and interest (52.0%)
- Intergovernmental revenue (19.2%)
- Sales tax (16.5%)
- Charges for services (6.3%)
- Interest earned on investments (2.8%)
- Licenses and permits (2.1%)
- Other (1.1%)



Mecklenburg County successfully collects nearly its entire levy and continues to have one of the highest property tax collection rates in the State. During fiscal year 2000, the County's total tax collections, including delinquent taxes, were 99.3% of the current year's levy. Of the current year's levy, 97.5% was collected this year. In accordance with North Carolina General Statutes, the County's collection efforts for taxes levied on property other than vehicles continue for a ten-year period after which any uncollected amount is written off. Due to the nature of the property and in accordance with statutes, uncollected vehicle taxes are written off after a two and one-half year collection period.

Exhibit 3



* revaluation

Exhibit 4

GRANT PROGRAMS

Program Category	Number	Revenue (Millions)
Social Services	77	\$ 93.2
Mental Health	33	25.7
Health	30	4.6
Other	34	36.2
Total	174	\$159.7

Total intergovernmental revenue (exclusive of capital projects and proprietary funds) increased \$26.9 million (19.7%) from last year (See Exhibit 1). Intergovernmental revenue, of which \$159.7 million was from Federal and State sources, was used to fund 174 service programs of varying size and complexity. These programs are summarized in Exhibit 4.

The County's continuing involvement in Federal and State grant programs indicates its desire to accommodate service needs for County residents while minimizing local costs. Approximately 50.7% of the funding for human services grant programs was from Federal and State funding on a cost reimbursement basis.

Total sales tax revenue for the County was \$145.6 million, a 22.4% increase. The General Fund received \$107.1 million. The County's voters approved a ½ cent sales tax for transit in November 1998. The County received \$32.9 million in this first full year of collection. The remainder was allocated to the Solid Waste Enterprise Fund to fund its operations. The distribution of sales taxes within the County is based on the prior fiscal year's proportionate property tax levies of the County and seven municipalities in the County. The total amount of sales tax distributed within Mecklenburg County increased in fiscal year 2000 by 6.8%, attributable to continued increased retail sales, an indicator of the economic growth of this region.

Charges for Services remained about \$52.3 million. Storm water revenues that will allow provision of additional services increased nearly \$.5 million. Building inspection permit fees increased nearly \$1.9 million as a result of new construction. Billings for Area Mental Health services declined during this year.

EXPENDITURES

Total expenditures, exclusive of Capital Projects and Proprietary Funds, were up \$78.7 million (11%) over those of last year. Exhibit 5 presents a comparison of expenditures by core business. A brief analysis of major changes follows, and immediately following this letter, *Five Year Comparative Trends of Major Expenditures by Core Business*, is presented.

Exhibit 5

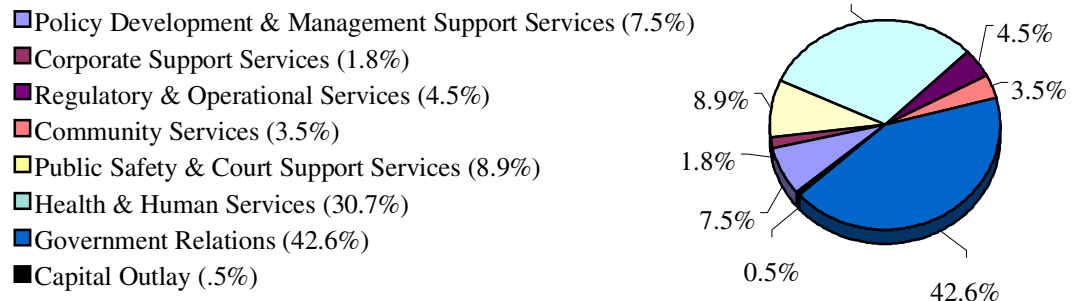
COMPARATIVE STATEMENT OF EXPENDITURES Governmental Fund Types and Expendable Trust Funds (Capital Projects Excluded)

Core Business	Fiscal Year Ended June 30,		Percent Increase (Decrease)
	2000	1999	
Policy Development & Management Support Services	\$ 59,601,506	\$ 58,520,130	1.85%
Corporate Support Services	14,193,760	13,618,487	4.22
Regulatory & Operational Services	36,244,290	33,135,349	9.38
Community Services	27,764,016	24,605,570	12.84
Public Safety & Court Support Services	70,522,123	67,079,637	5.13
Health & Human Services	243,535,524	225,327,910	8.08
Government Relations	338,317,242	289,491,785	16.87
Capital Outlay	3,950,035	3,651,734	8.17
TOTAL	\$794,128,496	\$715,430,602	11.00%

Letter of Transmittal

The composition of the County's expenditure dollar is graphically illustrated in Exhibit 6. Department functions are classified into core businesses according to the services provided to meet a community priority.

Exhibit 6
Expenditures by Core Business - Fiscal Year 2000



About one-third of the County's expenditure dollar was for Health and Human Services programs. Expenditures in this area increased \$18.2 million over the prior fiscal year. Slightly more than \$6 million of the increase was for additional day care services. Youth and Family Services expenditures increased \$3 million and included 23 positions to meet caseload and supervisory standards. Additional Medicaid expenditures accounted for \$2 million. Area Mental Health added positions for day treatment and counseling in jail.

In an effort to meet the continued growth in the building industry, Regulatory and Operational Services expenditures grew more than 9% this year. Development of the comprehensive land development and permitting system continued and 14 positions were added to provide for multiple inspections on a site visit for small residential projects.

Public Safety and Court Support Services continued to rise as a result of the Board's commitment to the provision of a safe community. The Sheriff Department's expenditures increased nearly \$6.2 million. Law Enforcement Service District expenditure for police services decreased \$2.9 million, a result of the annexation by the City of Charlotte and a declining percentage of unincorporated area.

Education expenditures are included in the Government Relations core business. Expenditures for Education were 36.6% of the County's total expenditures and totaled nearly \$290 million. Debt service for bonds issued for educational facilities is included in this amount. Of the total education expenditures, \$214 million was for the Charlotte-Mecklenburg Board of Education current operating and capital funding, along with \$58.1 million for debt service. This amount provided funding for operation of a new elementary school and addressed equity and student success programs. Central Piedmont Community College current funding was \$11.3 million which was full funding of their budget request. Payments to the City of Charlotte of the ½ cent Transit sales tax account for 8% of the Government Relations expenditures.

Community Services expenditures were \$27.8 million, an increase of 12.8%. A portion of this increase is attributable to Park and Recreation for start up costs associated with two new recreation centers and expanded youth programs in inner city facilities, some in partnership with Charlotte-Mecklenburg Schools.

Exhibit 7, which excludes Capital Projects and Proprietary Funds, shows expenditures by core business, including the Library and Medic Agency which are component units of the County, their related revenue sources, and the net local cost of providing County services. Although expenditures for Health and Human Services programs account for 29.5% of the expenditure dollar, intergovernmental and other revenues were sufficient to reduce the amount to 17.2% of local revenue sources. Education, which is included in Government Relations, comprises the largest share of the local dollar (53.8%). The local dollar is funded mainly by property taxes (68%). Sales taxes, investment income and other revenues comprise the balance. Other revenue consists primarily of State payments for reimbursement of repealed inventory and intangibles taxes, which are included as intergovernmental revenue in other exhibits and statements.

Exhibit 7

STATEMENT OF NET LOCAL COSTS
for the year ended June 30, 2000
(Capital Projects and Proprietary Fund Types Excluded)
Includes Component Units

Expenditures	Percent of Total Expenditures	Actual Expenditures	Intergovern- mental Revenue	Other Departmental Revenue	Net Local Cost	Percent of Net Local Dollar
Policy Development & Support Services	7.23%	\$ 59,601,506	\$ 65,500	\$ 50,307	\$ 59,485,699	9.77%
Corporate Support Services	1.72	14,193,760	339	9,954,406	4,239,015	.70
Regulatory & Operational Services	4.39	36,244,290	3,516,702	26,997,066	5,730,522	1.06
Community Services	3.37	27,764,016	1,732,738	2,525,211	23,506,067	3.86
Public Safety & Court Support Services	8.55	70,522,123	2,098,044	19,410,379	49,013,700	8.05
Health & Human Services	29.53	243,535,524	122,742,215	16,320,513	104,472,796	17.17
Government Relations	41.03	338,317,242	8,594,200	2,497,341	327,225,701	53.77
Capital Outlay	.48	3,950,035	-	233,007	3,717,028	.61
Medic Agency	1.25	10,295,000	-	-	10,295,000	1.69
Public Library	2.45	20,217,029	-	-	20,217,029	3.32
TOTAL	100.00%	\$824,640,525	\$138,749,738	\$77,988,230	\$607,902,557	100.00%
Percent to Actual		100.00%	16.83%	9.46%	73.71%	
Net Local Costs Funded By:						
Property tax					\$434,020,219	67.99
Sales taxes					139,979,988	21.93
Interest earned on investments					23,524,592	3.68
Other income					40,821,865	6.50
TOTAL					638,346,664	100.00%
Net Increase In Fund Balance					\$30,444,107	

FUND BALANCE

The fund balance of the General Fund as of June 30, 2000, was \$176.9 million, of which \$68.1 million was undesignated. The undesignated amount is 8% of the fiscal year 2001 approved General Fund budget. The County's policy, in accordance with Local Government Commissions recommendations, is to retain 8% of the subsequent year's budget as undesignated fund balance to provide adequate resources for the upcoming fiscal year. Any amount in excess of the 8% is designated for subsequent years' expenditure along with the portion of fund balance appropriated by the Board for use in the following year. Exhibit 8 shows a comparison of fund balance for the General Fund with that of the previous fiscal year.

Exhibit 8

GENERAL FUND

	June 30		
Fund Balance:	2000	1999	(Decrease)
Reserved for encumbrances	\$ 10,213,412	\$15,211,262	(\$4,997,850)
Reserved by State statute	67,617,033	48,224,335	19,392,698
Unreserved:			
Designated for regulatory & operational services	46,172	42,264	3,908
Designated for community services	98,900	-	98,900
Designated for public safety & court support services	64,860	-	64,860
Designated for health & human services	253,500	-	253,500
Designated for self-insurance	1,639,877	463,756	1,176,121
Designated for subsequent years' expenditures	28,875,794	26,181,553	2,694,241
Undesignated	68,056,565	68,682,861	(626,296)
Total Fund Balance	\$176,866,113	\$158,806,031	\$18,060,082

Letter of Transmittal

CAPITAL PROJECTS

The County spent \$153.3 million for capital projects in fiscal year 2000. Nearly two thirds of this was for renovations and improvements to school facilities. Acquisition of 461 acres of park and greenway land and improvements to existing parks, particularly in the inner city, were the major park and recreation expenditures. The University Regional Library was expanded. Construction started on the 900-bed expansion of Jail Central. The Engineering and Building Standards Department manages County capital projects. Funding for capital projects was supplied by the sale of \$104 million in bonds, unexpended bond proceeds and reimbursement by the City of Charlotte for some Park and Recreation capital expenditures. Additional funding for school facilities was provided from State school bond funds and the sale of certificates of participation. Exhibit 9 presents a comparative summary of sources of revenues and expenditures.

Exhibit 9

CAPITAL PROJECTS REVENUES AND EXPENDITURES (Includes Other Financing Sources and Uses)

	Fiscal Year Ended June 30,		1999	
	2000	Percent	Amount	Percent
	Amount	of Total		of Total
FUND BALANCE-				
Beginning of Fiscal Year	\$ 195,736,890		\$ 307,878,392	
REVENUES				
Sale of bonds	104,000,000	62.60%	-	
Sale of certificate of participation	25,000,000	15.05	-	
Intergovernmental	37,023,446	22.28	14,253,842	93.38%
Other	118,415	.07	1,010,454	6.62
TOTAL REVENUES	166,141,861	100.00%	15,264,296	100.00%
EXPENDITURES				
County buildings	2,693,398	1.76%	3,557,800	2.79%
Land	3,240,461	2.11	-	
Court & jail facilities	23,858,701	15.57	7,866,478	6.17
Parks & recreation facilities	15,497,709	10.11	17,365,941	13.63
Library facilities	3,717,209	2.43	1,599,766	1.26
Educational facilities	101,950,886	66.52	93,828,718	73.65
Historic preservation	344,625	.23	447,059	.35
Flood control	1,276,480	.83	2,491,854	1.96
Community development	675,966	.44	248,182	.19
TOTAL EXPENDITURES	153,255,435	100.00%	127,405,798	100.00%
FUND BALANCE-				
End of Fiscal Year	\$208,623,316		\$195,736,890	

PROPRIETARY OPERATIONS

The Solid Waste Enterprise Fund accounts for operations of the landfill and recycling programs. An annual residential solid waste disposal fee of \$10 per dwelling is included in charges for services. Revenue from landfill tipping fees, disposal fees and recycling sales funded 94.7% of the Solid Waste division's operating expenses. Sales tax in an amount sufficient to offset expenses not otherwise funded was allocated to this fund.

The County has two Internal Service Funds which provide services, on a cost reimbursement basis, to other departments or agencies of the County. Generally, these funds generate sufficient operating revenues as charges for services so their expenses are covered.

FIDUCIARY FUNDS

The County's Fiduciary Funds account for assets received by the County as trustee or agent. The County provided custodial responsibilities for Employees' Insurance, for certain property taxes collected for the municipalities located in the County, Room Occupancy Taxes, Food and Beverage Tax and State fee collections. The County acted as trustee for several expendable trust funds consisting of contributions and transfers for specifically designated purposes, the largest being for school capital outlay.

DEBT AND FINANCING ADMINISTRATION

Principal payments on general obligation bonds totaled \$61,595,000 and interest paid was \$51,655,564 this fiscal year. The interest payment on the 1988 Variable Rate Demand Bonds this year totaled \$36,701. Over the life of these bonds, the estimated interest saving with variable interest was \$1.7 million versus fixed rate. The interest payments this year also included \$1,808,186 on the 1996 Variable Rate Demand Bonds, \$1,817,888 on the 1998 Variable Rate Demand Bonds and \$743,101 on the 2000 Variable Rate Demand Bonds. The average interest rate on the 1996 variable rate bonds was 3.69%, 3.71% on the 1998 bonds and 4.14% on the 2000 bonds. The debt service payments are allocated to the General, Storm Water and Enterprise Funds based on the proportionate shares of the bonds issued relating to the projects in those funds. Future principal requirements to maturity for bonded debt as of June 30, 2000, were \$1,123,385,000. Interest requirements, including an estimate for the variable rate bonds, were \$480,829,113. These requirements and related terms are summarized in Notes to the Combined Financial Statements (A-6).

The County issued \$25 million in certificates of participation in March 2000. The interest payments this year totaled \$180,020. The average interest rate on these certificates was 4.58%.

The debt policy for the County provides guidelines, parameters and procedural requirements for the issuance and management of debt. Some of the standards for use in comparisons include debt per capita, debt as a percentage of assessed valuation and debt service as a percentage of the operational budget.

The County's strong financial management program continues to enhance its excellent financial position and enabled the County to maintain its "Triple A" bond rating. This is the highest rating given by Standard & Poor's Corporation, Moody's Investors Service and Fitch. The City of Charlotte and the State also have AAA ratings from these agencies. This is a distinction for only a few communities in the nation. As a result of this rating, the County has obtained some of the lowest interest rates available to governmental agencies when issuing bonds. The County issued \$54,000,000 in fixed rate general obligation bonds in January 2000 at an average interest rate of 4.98%. The current market index was 6.04%. The County also issued \$50,000,000 in variable rate demand bonds to continue to diversify its debt structure and reduce borrowing costs.

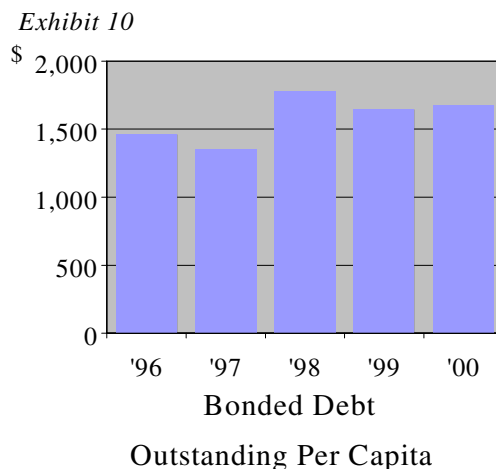


Exhibit 10 shows the County's net per capita outstanding bonded debt to be \$1,670, an increase from the prior year reflecting the sale of general obligation bonds. The County's outstanding debt is 1.86% of assessed valuation, well below the 8% of assessed valuation legal debt limit of over \$4.8 billion.

CASH MANAGEMENT

North Carolina General Statutes authorize the County to invest in obligations of the U.S. Treasury; obligations of any agency of the United States of America, provided the payment of principal and interest of such obligations is fully guaranteed by the United States; certain quasi-federal agencies; commercial paper bearing the highest credit rating available; bankers' acceptances of accepting banks or holding companies either (i) incorporated in the State of North Carolina or (ii) having the

Letter of Transmittal

highest available long-term debt rating; and the North Carolina Capital Management Trust, a SEC registered (2a-7) mutual fund.

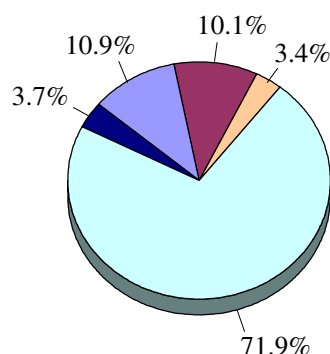
All of the County's investments are classified in the lowest credit risk category or are exempt from risk categorization because third party custodians take delivery of investment securities. County deposits are maintained with financial institutions which collateralize excess deposits by the option which allows securing uninsured deposits through the pooling of collateral method established by the depository with the State Treasurer for benefit of the State and local participating units as permitted under North Carolina Administrative Code, Title 20, Chapter 7. Additional information about the County's cash and investment activity is contained in Notes to the Combined Financial Statements (A-6).

Total interest earned on investments during the year was \$24,125,526 of which \$600,934 was allocated to the Proprietary Funds. The County's system of cash flow forecasting and close monitoring of the progressive investment policies has resulted in maximized investment yields. Exhibit 11 shows the percent invested by type. This year's investment earnings represented 4.1 cents on the property tax rate with the average interest on the investment portfolio yielding 6.39% at year-end. The average yields on six- and twelve-month Treasury Bills at year-end were 6.23% and 6.09%, respectively. The County's average return earned during the year was 5.66% and the average return of the *Public Investor 10 Bill Index* published by Government Finance Officers' Association of the United States and Canada for the year was 5.32%.

Exhibit 11

Investments Portfolio

- N.C. Capital Management Trust (10.9%)
- Money Market/CD's (10.1%)
- U.S. Treasury Securities (3.4%)
- Federal Agency Securities (71.9%)
- Other (3.7%)



RISK MANAGEMENT

The County participates in a self-funded risk-financing program. This program is administered by the City of Charlotte's Risk Management Division. The County will finance its own loss exposures up to the first \$1,000,000 per occurrence per year with a separate reserve held in trust for the County and with current appropriations in the County budget except for property exposures over \$100,000 and Workers' Compensation exposures over \$275,000 which are insured. Exposures between \$500,000 and \$1,000,000 per occurrence are covered by accumulated reserves held in a separate trust fund. As of June 30, 2000, reserves specifically designated for Mecklenburg County were sufficient to accommodate the actuarially determined liabilities. Automobile and general liability exposures above the coverage provided through the trust are covered by excess insurance policies in amounts up to \$20 million.

OTHER RELEVANT INFORMATION

The financial statements have been prepared in compliance with applicable General Statutes of North Carolina and recommendations contained in Audits of State and Local Governmental Units, an industry audit guide prepared by the State and Local Government Committee of the American Institute of Certified Public Accountants, Governmental Accounting Standards Board Statements, and Governmental Accounting, Auditing and Financial Reporting (GAAFR) issued by the Government Finance Officers' Association of the United States and Canada (GFOA). There has been significant summarizing of financial detail to make the Report easily readable and understandable. The financial statements, along with supplemental schedules, were audited by McGladrey & Pullen, LLP, an independent public accounting firm. The audit was designed to meet the requirements of the Federal Single Audit Amendment of 1996, as well as the State Single Audit Act, N.C.G.S. 159-34. The reports required under these Acts are issued separately.

On July 26, 2000, GFOA awarded its Certificate of Achievement for Excellence in Financial Reporting for the Report of Mecklenburg County for the Fiscal Year Ended June 30, 1999. The 1999 Report was judged to conform to the high standards of financial reporting put forth by GFOA. The certificate is valid for a period of one year. The County has been awarded the certificate for the past 25 years. We believe the Report for fiscal year 2000 continues to substantially conform to those standards and this Report is being submitted to GFOA for the certificate program.

Letter of Transmittal

GFOA also presented Mecklenburg County with its Distinguished Budget Presentation Award for the annual budget for fiscal year 2000. To receive this award, a governmental unit must publish a budget document that meets program criteria. This award is also valid for one year only. The Budget Department believes the fiscal year 2001 budget continues to conform to program requirements and is submitting it to GFOA to determine eligibility for another award.

Each County department's strong commitment to the goals expressed in *Priority 2005* and the County's vision and mission statement is reflected in their provision of services to the residents of Mecklenburg County. I appreciate the cooperation of all County departments in conducting financial activities, including preparation of this Report. I would like to commend the members of the Finance Department, particularly, for their professional competence and diligence in continuing the progressive financial activities of the County and preparation of this informative Report.

I thank the Board of County Commissioners and former County Manager Gerald G. Fox for their leadership in making Mecklenburg County a fiscally sound, well-governed community. I look forward to the continuation of that leadership from the Board and newly appointed County Manager Harry L. Jones, Sr.

Respectfully submitted,

A handwritten signature in black ink, reading "J. Harry Weatherly, Jr." in a cursive script.

J. Harry Weatherly, Jr.
Director of Finance

Five Year Trends

FIVE YEAR COMPARATIVE TRENDS OF MAJOR REVENUES AND EXPENDITURES BY CORE BUSINESS ON A PER CAPITA BASIS ADJUSTED TO CONSTANT 2000 DOLLARS

Exhibit 12

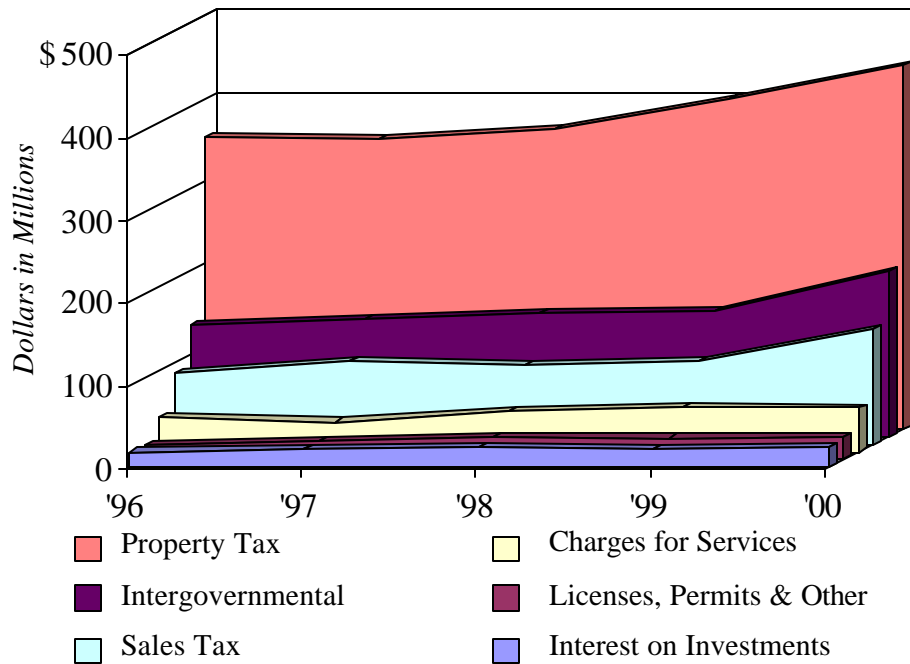
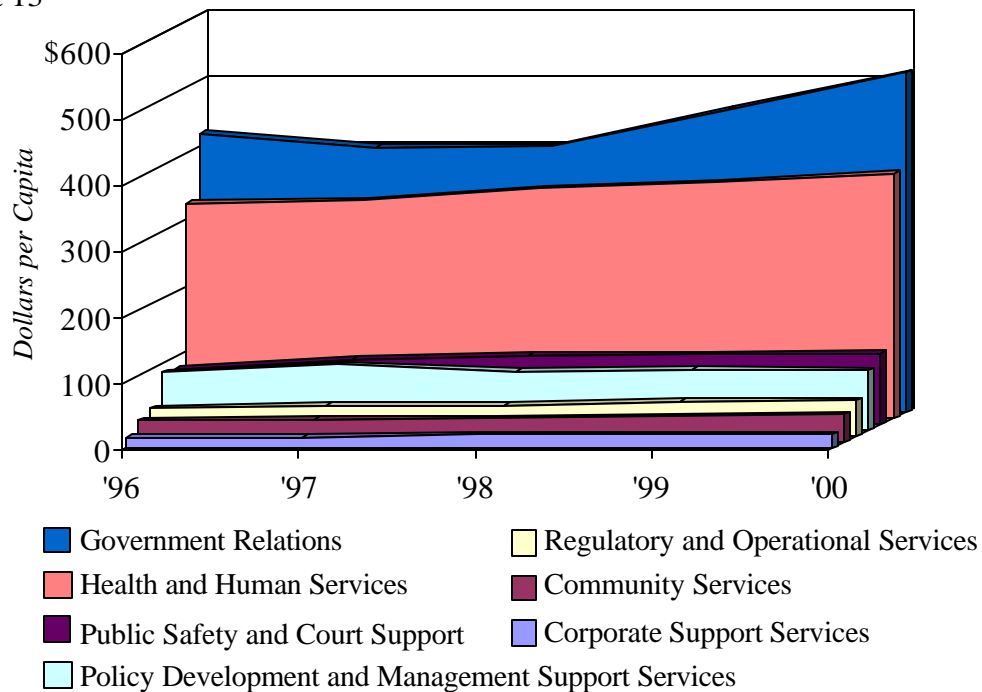


Exhibit 13



Five Year Trends

In the belief that local governments are responsible for providing comparative data concerning the growth of governmental revenues and expenditures, Exhibit 12 and Exhibit 13 are presented along with associated descriptive analysis. Revenue trends are presented as total dollars, while expenditure trends are shown on a per capita basis. Both exhibits have been adjusted for inflation so that each dollar in any given year has the buying power of a 2000 dollar. The Implicit Price Deflator Index (base year = 1996), a nationally recognized indicator of annual economic growth, was used to make this adjustment.

REVENUES

Exhibit 12 graphically illustrates the trends of governmental revenue for the last five fiscal years. Property Taxes have been the most significant source of revenue during this period. In fiscal year 2000, 49.9% of all County revenue was from property taxes. The increase in fiscal year 1999 was the net effect of the revaluation of real property in and the adopted tax rate, and the increase in fiscal year 2000 is the result of an increase in assessed valuation and the tax rate. Intergovernmental Revenue received from the Federal and State governments is also an important component of County revenues, comprising 22.6% of revenues in fiscal year 2000. The increase in Intergovernmental Revenue in fiscal year 2000 is due primarily to increased revenue from the State for school construction. The federal and state portion of benefits paid directly by the State to County Social Services clients have been excluded from Intergovernmental Revenues. The increase in Sales tax is primarily due to the transit one-half cent sales tax levied in fiscal year 2000. The change in Charges for Services in 1997 and 1998 is primarily due to the reclassification of Federal and State inmate housing revenue as Intergovernmental Revenue.

EXPENDITURES

GOVERNMENT RELATIONS

These expenditures consist of appropriations to other governmental entities and for joint governmental activities. Included in this core business are the appropriations for the Charlotte-Mecklenburg Board of Education and Central Piedmont Community College. Approximately 63% of fiscal year 2000 Government Relations expenditures consisted of operational and capital replacement expenditures for the Charlotte-Mecklenburg Board of Education. County support per pupil is shown in Exhibit 29. The increase in per capita expenditures in fiscal year 1999 and fiscal year 2000 was due primarily to providing additional support to the schools and school bonds principal and interest payments. These expenditures have increased at a greater rate than the population of the County. Expenditures for fiscal year 2000 were \$512 per capita.

HEALTH AND HUMAN SERVICES

The Health and Human Services core business is comprised primarily of County operations for Social Services and Health/Mental Health and Community Services. The steady growth during the last five years demonstrates the County's commitment to accommodate the needs of its residents by providing adequate human services. Federal and State portions of benefits paid directly by the State to County Social Services clients are excluded. If these funds had been included, the expenditures per capita in fiscal year 2000 would have been \$779. The exclusion of direct benefit payments results in a per capita expenditure of \$368 in fiscal year 2000. Since 1996 there has been a 11.9% inflation-adjusted increase in Health and Human Services per capita expenditures. This is primarily due to increased population eligibility and utilization of both entitlement and non-entitlement programs. The Mecklenburg Emergency Medical Services Agency began operating as an independent agency in October 1997 and is no longer reported in this core business, but is a component unit of the County beginning in fiscal year 1998.

Five Year Trends

PUBLIC SAFETY AND COURT SUPPORT SERVICES

During the past five years, the trend in this core business is one of slow, steady growth in per capita expenditures. The overall increase is due primarily to operational and personnel costs in the Sheriff and Jails Department as well as expanded Court Services. Personnel, equipment and administrative costs for the County Jail - North, a sentenced facility, Jail Central, a pre-trial facility which opened in February 1997, and the Work Release Restitution Center which opened in May 1997, were responsible for the small increases in per capita expenditures. Expenditures per capita have increased from \$83 to \$107 during this five-year period.

POLICY DEVELOPMENT AND MANAGEMENT SUPPORT SERVICES

This core business consists of departments that plan and implement policies of County government and provide management support to other County departments and operations. This area includes County Commissioners and Manager, Finance, Internal Audit, Human Resources, Legal and Budget. This core business also includes debt service which is not allocated to Government Relations or Regulatory and Operational Services. Expenditures per capita were \$90 in fiscal year 2000. Reduced expenditures for capital leases, debt service on certificates of participation and non-departmental services are primarily responsible for lower per capita expenditures in fiscal year 1998.

REGULATORY AND OPERATIONAL SERVICES

This core business includes Engineering and Building Standards, Environmental Protection, and the Environmental Health division of the Health Department. During this period, many services have been added or expanded to meet the needs of our growing population. Spending per capita has increased approximately 31% over the five-year period. Expenditures for fiscal year 2000 were \$55 per capita.

COMMUNITY SERVICES

Community Services consists of Park and Recreation, Elections and a variety of other programs to serve County residents and visitors. Funds provided to the Public Library of Charlotte and Mecklenburg County, a component unit of the County, are not included in this comparison. If this funding had been included, the per capita expenditures for Community Services would have increased from \$42 to \$73 for fiscal year 2000.

CORPORATE SUPPORT SERVICES

The departments in this core business include Tax, Register of Deeds, Public Service and Information and Clerk to the Board. The per capita of expenditures in this core business has increased approximately 21% over the past five fiscal years. Expenditures for fiscal year 2000 were \$21 per capita.

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Mecklenburg County,
North Carolina

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1999

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Anne Spray Kinney
President

Jeffrey L. Essler
Executive Director

To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

Mecklenburg County, North Carolina

Board of County Commissioners



H. Parks Helms
Chairman



Becky Carney
Vice Chairman



James Richardson, Sr.



Margaret Markey
District 1



Norman A. Mitchell, Sr.
District 2



Darrel Williams
District 3



Lloyd Scher
District 4



Tom Cox, Jr.
District 5



Bill James
District 6



Gerald G. Fox
County
Manager
1980 - 2000
Retired



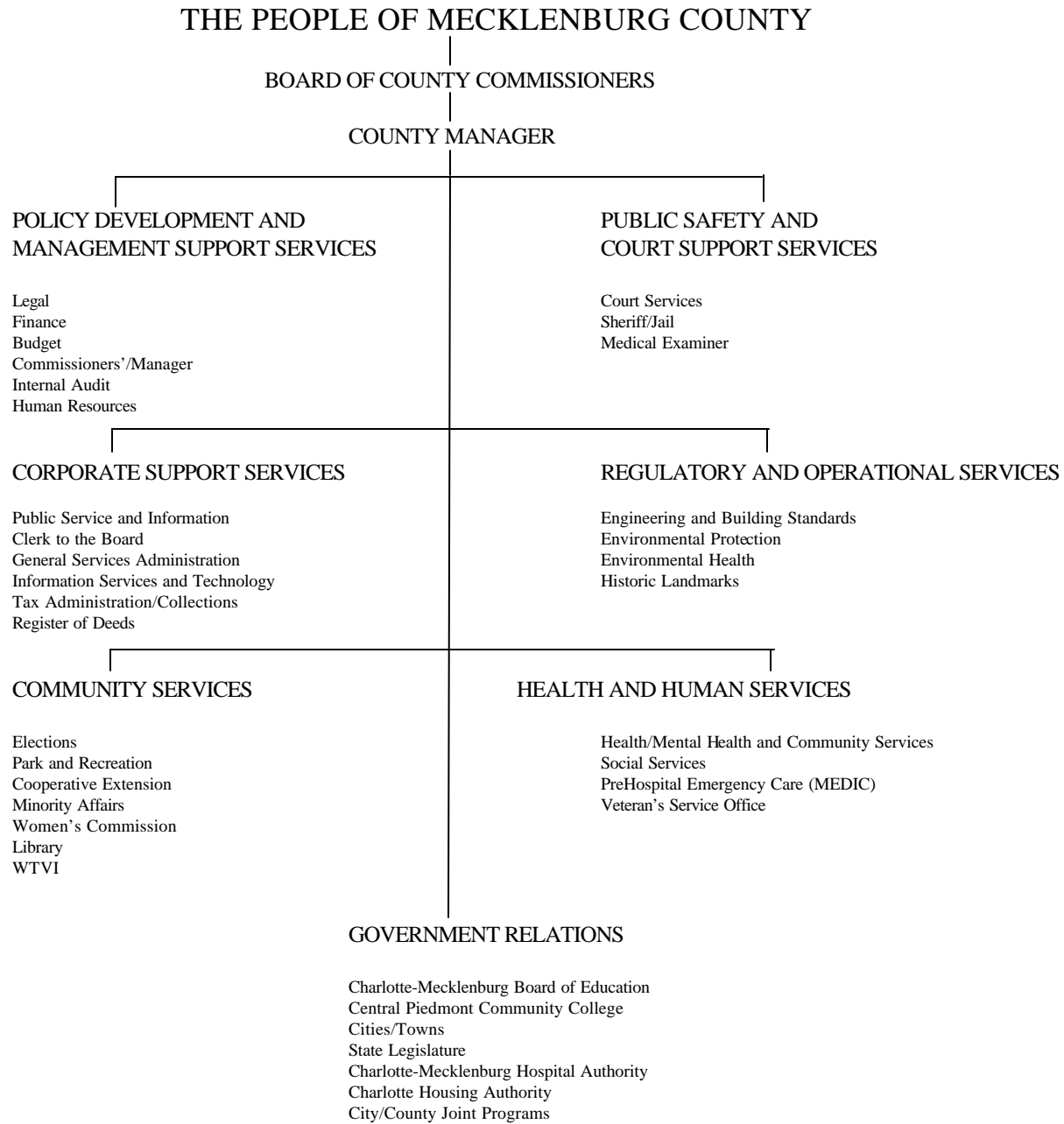
Harry Jones
County
Manager



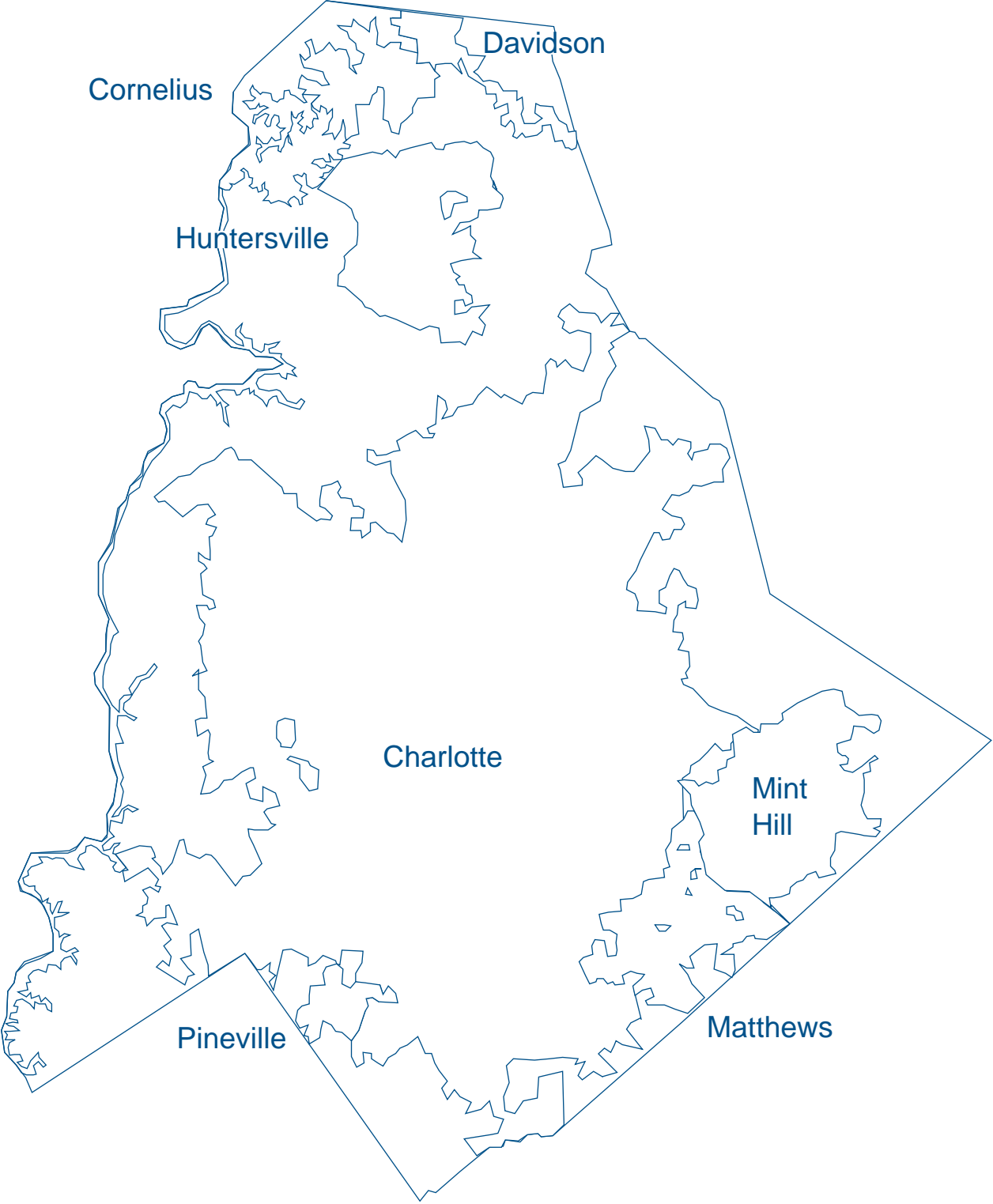
J. Harry
Weatherly, Jr.
Director of
Finance

Sarah A. Heasley, Financial Planning & Reporting Manager
Wanda F. Reeves, Financial Planning & Reporting Analyst II
Alan R. McBrayer, Financial Planning & Reporting Analyst II
Terri V. Hines, Financial Planning & Reporting Analyst I
Kenneth Myers, Financial Planning & Reporting Analyst I
James E. Woolley, Grants Coordinator
Alfred L. Liner, Financial Accounting Manager
Ana M. Cutajar, General Accounting Supervisor
Gary L. Porter, Investments Officer

Mecklenburg County Organization Chart







Davidson

Cornelius

Huntersville

Charlotte

Mint
Hill

Pineville

Matthews

A BRIEF HISTORY OF MECKLENBURG COUNTY GOVERNMENT

Mecklenburg County was created from a portion of Anson County through a petition that was granted on December 11, 1762 by the Provincial Assembly, effective February 1, 1763. During the colonial Period, a governor appointed by the King of England administered the County. Settlers chose the name *Mecklenburg* for their County in the hopes of gaining favor with King George III. His wife, Queen Charlotte, was born in the German province of Mecklenburg. When Mecklenburg was established it was considerably larger than it is today. Portions of what are now Cabarrus, Union, Lincoln, Rutherford, Cleveland and Gaston Counties and parts of South Carolina were all once in Mecklenburg County. The City of Charlotte was incorporated on November 7, 1768, and was chosen as the county seat in 1774.

Mecklenburg's resentment toward government by the English peaked in the mid 1770's. On May 20, 1775, the Mecklenburg Declaration of Independence was signed. This brief document formally renounced the County's ties with England and predates the American Declaration of Independence. Eleven days later on May 31, 1775, the leaders of each militia district in the County reassembled and adopted the Mecklenburg Resolves, which outlined a new system of government for the County. The new system of government that was outlined in the Resolves delegated to the governor of North Carolina the authority of appointing the Justices of the Peace. The Justices, meeting as the Court of Pleas and Quarter Sessions, presided over the County courts and supervised general County affairs.

During the Revolutionary War, the British army under the command of General Cornwallis invaded Charlotte on September 25, 1780. He encountered intense resistance and described Charlotte as a *hornet's nest of rebellion*, establishing the Hornet's Nest as the symbol and the nickname of the County.

The current boundaries of the County were established in 1842. County officials continued to be appointed by the governor until 1868. The Constitution of North Carolina was rewritten in that year to allow citizens, for the first time, to elect officials to govern them at the County level. This form of government is still in practice today with the governing body known as the Board of County Commissioners. In 1963, the Board adopted the County Manager form of government and appointed a County Manager to perform the administrative duties of the County.

GOVERNMENTAL STRUCTURE

The Board of County Commissioners has six district and three at-large members. Elections for the Board are held in November of even-numbered years, and candidates run for office as members of a political party. Any registered voter is eligible to run for Commissioner. Following the election, the Board takes office the first meeting in December. At its first meeting in December each year, the Board elects a chairman and vice-chairman from among its members.

Major duties of the Board of Commissioners include:

- Assessing and assigning priorities to the needs of the County, and establishing programs and services to meet those needs.
- Adopting an annual balanced budget to fund County programs and services.
- Establishing the annual County property tax rate.
- Adopting the County's Capital Improvements Program.
- Appointing officials, including members of County boards and commissions, and certain County employees.
- Regulating land use and zoning outside the jurisdiction of municipalities.
- Enacting policies concerning the operation of the County.
- Enacting local ordinances.
- Calling bond referendums, entering into contracts, and establishing new programs and departments.

All meetings of the Board of Commissioners are open to the public. The Board holds regular business sessions on the first and third Tuesdays of each month. On the second Tuesday, the Board conducts zoning hearings. On the Thursday before the first Tuesday of each month, the Board holds a luncheon meeting.

The Board appoints several officials to help carry out its responsibilities: a County Manager; a County Attorney, who serves as legal advisor to the Board; a Director of Finance, who provides required financial information and guidance for planning and conducting fiscal management in operating the County; and a Clerk to the Board, who is responsible for keeping official Board records and preparing official minutes of all Board meetings.

The County Manager is the chief administrative officer of the County, and serves the Commissioners at their discretion. The County Manager has a staff that includes three Assistant County Managers and 31 Department Heads.

Facts and Information

Major duties of the County Manager include:

- Supervising and coordinating activities of County departments.
- Implementing all orders and policies of the Board.
- Attending all Board meetings and making recommendations on appropriate matters of business.
- Recommending an annual budget and advising the Board on the financial condition of the County.
- Presenting, with recommendations, the Capital Improvements Program.
- Appointing various employees.
- Representing the County in business with other agencies and performing other duties assigned by the Board.

To provide services required by State statutes, needs identified by the Commissioners, and for operations of the government, as of June 30, 2000, Mecklenburg County had 4,267 full-time employees and 532 temporary, seasonal and part-time employees. (See Exhibit 14.)

Exhibit 14

NUMBER OF EMPLOYEES

Mecklenburg County

	June 30	
	<u>2000</u>	<u>1999</u>
Policy Development & Management Support Services:		
Full-Time	111	95
Other	29	43
Corporate Support Services:		
Full-Time	349	377
Other	0	1
Regulatory & Operational Services:		
Full-Time	422	401
Other	17	10
Community Services:		
Full-Time	993	687
Other	394	458
Public Safety & Court Support Services:		
Full-Time	897	944
Other	34	22
Health & Human Services:		
Full-Time	1,495	1,544
Other	58	21
Total Employees:		
Full-Time	4,267	4,048
Other	532	555
Total	4,799	4,603

FISCAL CONTROL AND THE BUDGETING PROCESS

Statutes require adoption of an annual balanced budget, including all appropriations required for debt service. Any difference between appropriations and estimated revenues, including appropriated fund balance, is required to be eliminated by the imposition of a property tax at a rate on assessed valuation sufficient to produce the revenue needed to accommodate this difference.

Mecklenburg County's target budget served as the beginning point for the upcoming budget process, provided alternatives for determining goals and objectives, and assisted in evaluating workloads and responsibilities. In January at the Board of Commissioners' annual strategic planning conference, the County's needs were presented in the form of issue papers for which policy decisions were approved. The formal budget process began in January with workshop training sessions for each departmental budget unit manager to assist in developing the line-item budget for each unit. From February to April, the review process included the County Manager, the appropriate Assistant County Manager,

Budget personnel and the Commission Budget Committee. The Commission Committee was created in order to provide more and earlier involvement from the Board. Budget discussions were by core business. The County Manager, using revenue projections based upon current trends and anticipated changes prepared by the Director of Finance, and using expenditure budgets resulting from the core business review process, prepared a recommended budget which was submitted to the Board of County Commissioners in May. The Commissioners held a public hearing and budget workshops before approving the final County budget. The budgeting process for fiscal year 1999-00 culminated with a budget adopted by July 1 in accordance with North Carolina statutes.

Once the Board of County Commissioners has adopted the Budget, the Director of Finance is responsible for monitoring expenditures of the various County departments to prevent expenditures from exceeding budgeted appropriations. Purchase orders and contracts are not considered valid until the Director of Finance has certified that funds are available to make payment upon satisfactory completion of the contract or delivery of the items ordered.

PROPERTY TAXES

Real property and automobiles, boats, trailers and income-producing personal property are subject to property tax unless specifically exempted by North Carolina statutes. Major property tax exemptions granted by the statutes include governmental organizations, charities, religious institutions, educational and cultural organizations, veterans' organizations and fraternal lodges. North Carolina statutes also exempt certain properties from listing for property taxes, including burial properties, solid waste disposal equipment, business inventory, cotton in storage (under certain conditions), and air and water pollution equipment. Reduced assessments are granted to owners of farms, historical properties, single residences of the elderly, and certain disabled veterans. For fiscal year 2000, the County's total exempted or reduced assessments were over \$5.0 billion in real and personal property valuation.

TAX RATE

The tax rate is set each year by the Board of County Commissioners when the budget ordinance is adopted. Exhibit 15 shows the counties in the State with an assessed valuation exceeding \$5 billion, their tax levies and rates.

Exhibit 15

PROPERTY TAXES IN NORTH CAROLINA With Assessed Valuations over \$4 Billion

<u>County</u>	<u>Valuation</u>	<u>Levy</u>	<u>Revaluation</u>	<u>Tax Rate</u>
Alamance	\$ 6,299,060,850	\$ 33,102,511	1993	\$.525
Brunswick	9,608,830,149	53,408,868	1999	.55
Buncombe	12,825,353,653	80,799,728	1998	.63
Cabarrus	9,633,982,132	57,674,102	1999	.59
Carteret	5,732,056,522	28,402,245	1997	.50
Catawba	10,275,255,497	51,338,922	1999	.50
Cumberland	12,065,751,793	101,352,315	1996	.84
Davidson	7,285,580,910	38,214,159	1997	.53
Durham	13,327,745,151	124,004,386	1993	.9297
Forsyth	20,346,189,663	134,599,792	1997	.6625
Gaston	9,467,250,981	78,104,820	1997	.825
Guilford	28,829,036,736	183,698,622	1996	.6372
Henderson	6,606,325,133	33,449,973	1999	.50
Iredell	9,079,972,287	42,533,882	1999	.47
Johnston	5,414,183,017	46,020,556	1995	.85
Mecklenburg	59,826,565,680	434,904,243	1998	.73
New Hanover	15,427,039,343	88,027,526	1999	.565
Orange	6,988,317,888	64,189,852	1997	.919
Pitt	5,823,226,294	39,597,939	1996	.68
Randolph	5,848,647,483	29,647,826	1993	.5125
Rowan	7,288,354,469	46,297,879	1999	.635
Union	6,316,967,744	41,691,987	1992	.66
Wake	41,162,892,110	296,650,287	1992	.73

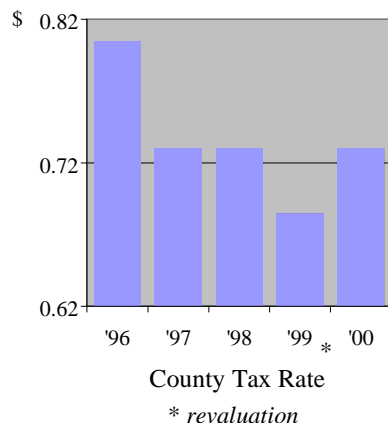
Note: Includes valuations of classified registered motor vehicles for which tax notices were issued in accordance with G.S. 105-330.5(a) on or before December 31, 1999, net of releases made by that date.

Source: N. C. Department of Revenue, Tax Research Division

Facts and Information

Exhibit 16 presents the County's tax rates since fiscal year 1996. The last revaluation was completed in 1998 for fiscal year 1999. N. C. General Statutes require a real property revaluation at least once every eight years; however, the county has adopted a policy to revalue every four years.

Exhibit 16



PUBLIC UTILITY ENTERPRISES

Water and Wastewater Operations

The Charlotte-Mecklenburg Utilities Department, operated by the City of Charlotte, is responsible for the planning, construction, operation and maintenance of water and wastewater systems throughout Mecklenburg County. The objectives of the Department are to provide a safe, sufficient supply of potable water and to protect the environment through the efficient collection and treatment of wastewater and industrial waste. These objectives are met in a manner such that the Department is financially self-sufficient from service fees. The Department's three water treatment plants treat and distribute an average of 102 million gallons of water per day, while its five wastewater treatment plants collect and treat an average of 76 million gallons of wastewater per day.

Funded projects for FY 2001 call for expenditures of \$85,210,000 for upgrading wastewater treatment facilities, new wastewater extensions and new wastewater outfalls, and \$48,370,000 for upgrading water treatment facilities, new wastewater extensions, and relocations. The City of Charlotte funds these projects with general obligation bonds, revenue bonds, and the Water and Sewer Operating Fund.

Solid Waste Operations

In 1984, Mecklenburg County and the City of Charlotte signed an agreement that gave the County responsibility for disposing of solid waste. In 2000, the County revised its 10-year Solid Waste Management Plan to set goals to reduce waste disposal by an additional 19% by 2006 and 23% by 2010.

The following steps to implement the plan have begun:

- A County-wide curbside recycling program to include most single-family homes has been implemented. The program presently includes all single-family dwellings in Charlotte, Huntersville, Pineville, Cornelius, Davidson and Mint Hill. The program has been expanded to include multi-family residences in the City and all residences in the unincorporated areas of the County.
- The County contracts with a private management firm to process the recyclables at a County-owned materials recovery facility. In addition, the County operates nine recycling centers, four yard-waste processing facilities, and a metal and tire recovery facility.
- The County has a contract with a private landfill operator to handle all the County's solid waste through the year 2001 except that which is recycled. The County also has a 560 acre subtitle D landfill that opened April 2000 and is currently used for the disposal of construction and demolition waste. It has a capacity for over six million tons.

Storm Water Operations

The Storm Water Special Revenue Fund, which maintains large creeks throughout the County and smaller creeks and drains in the unincorporated areas, was established to fund and operate a comprehensive storm water quantity and

quality management program to construct, acquire, regulate, operate and maintain the public storm drainage system. The system is designed to safely and efficiently control runoff, protect lives and property, complement and support the other municipalities in the County and enhance the County's natural resources. This program was funded with a storm water fee that is billed and collected for the County by the City of Charlotte.

COUNTY SERVICES

HEALTH AND HUMAN SERVICES: The Health and Human Services administered by the County are in three major service areas: Social Services, Mental Health and Health. Also in this service area are pre-hospital emergency services and Veterans Services. The Medic Agency, reported as a component unit in the financial statements, contracts with the County to provide pre-hospital emergency services. The Board of Commissioners serves as the Board of Social Services, Board of Health and Area Mental Health Authority. The Board of commissioners draws on the advice of a 24-member citizens board, the Human Services Council.

Social Services: The Department of Social Services (DSS) mission is "to provide the services necessary to prevent or relieve economic and emotional hardship, and to rally the community to improve the quality of life for its citizens". The County's social service programs are regulated by State and Federal agencies and the majority of their funding comes from these sources. DSS is charged with the Countywide administration of all social service programs.

The major divisions of DSS are Economic Services, Services for Adults, and Youth and Family Services. Employment and temporary assistance for needy families are handled through Economic Services and include Work First, Food Stamps and Medicaid. The Services for Adults Division provides services for adults and individuals with disabilities including: Adult Medicaid, Adult Protective Services, Senior Congregate Nutrition, Home Delivered Meals, Human Services Transportation, Community Social Work, and monitoring of adult group care homes. All services promote independence and the highest quality of life in a least restrictive environment to delay or eliminate placement in an institutional setting at a far greater cost to the taxpayer. Youth and Family Services address the special needs of children and families. Services include Protective Services, Foster Care, Adoption, Emergency Assistance, and Juvenile Detention.

Health: The Health Department is responsible for assessing health problems in the community, mobilizing community action to address them, and protecting the health of the public by assuring that essential services are provided. Services include health promotion and education, communicable disease control, clinical preventive services, dental health, public health laboratory services, vital statistics, epidemiology, public facility sanitation, food protection and control of insects and rodents of public health significance. The County contracts with the Carolinas HealthCare System for an extensive range of these public health services.

Mental Health: Established in 1971, the Area Mental Health, Developmental Disabilities and Substance Abuse Authority (Area Mental Health) administers, supervises and coordinates the delivery of the County's substance abuse, mental health and developmental disabilities services and programs. A wide range of prevention, treatment and rehabilitation services is available in all three areas.

Area Mental Health has implemented a care management system that includes utilization management, service authorization and a centralized intake for Mental Health, Developmental Disabilities and Substance Abuse. Area Mental Health has implemented a comprehensive automated system, known as the Behavioral Care Management System. This system fully supports tracking and reporting of services, automated clinical records, service authorization, utilization management, billing, credentialing and contract management. This business infrastructure will be used to improve the quality of locally managed services and position the County for regional management opportunities in the future.

Area Mental Health oversees the County's contract with the Carolinas HealthCare System for the provision of mental health services through Behavioral Health Center Randolph, where inpatient and outpatient treatment as well as educational services are available. The County also provides services for the severe and persistently mentally ill through its Adult Mental Health Case Management Services.

Mecklenburg residents with developmental disabilities including mental retardation, autism, cerebral palsy and epilepsy receive services at the Carlton Watkins Center. Children and adults are served through a wide range of services contracted for by the County with numerous agencies.

Detoxification and residential services are provided at the Samuel Billings Center to people experiencing problems resulting from the use of alcohol and other drugs. Area Mental Health monitors contracts for services to help drug abusers deal with physical and psychological problems associated with addiction, and also provides educational services for the prevention of drug abuse.

PUBLIC SAFETY AND COURT SUPPORT SERVICES: The departments within this core business are Court Services, Sheriff and Jail and Medical Examiner. Their primary responsibility includes services such as processing arrests, holding arrestees during pre-trial periods, providing court facilities and performing autopsy services.

Facts and Information

The Sheriff is responsible for supervising all activities relating to the jails, providing bailiffs in courtrooms, serving court orders and papers and issuing handgun permits. The County operates in the northern part of the County a sentenced jail facility with a capacity of 614 prisoners. The Jail Central, a 1,004 bed pre-trial facility, began housing inmates in February 1997. Also, the 150 bed Work Release Restitution Center opened in May 1997 and a freestanding manufactured modular facility continues to house prisoners. An expansion of Jail Central, scheduled for completion in the fall of 2001, will add a total of 900 additional beds to that facility.

REGULATORY AND OPERATIONAL SERVICES: Departments included in this core business are Engineering and Building Standards, Environmental Protection, Environmental Health Division of Public Health and Historic Landmarks. Services include regulating the development of land and construction of residential, commercial and industrial facilities. Other services offered are regulating solid waste disposal and sanitation of food and lodging establishments, including vector control. Air pollution, water quality, regulation of solid waste disposal and control of hazardous substances are among the responsibilities of the Environmental Protection Department. Staff members serve, according to law, as agents of the Federal EPA in the enforcement of air quality programs.

The Board of County Commissioners has authority granted by the State Legislature to adopt rules and regulations pertaining to the environment and air quality.

COMMUNITY SERVICES: The community services core business includes Park and Recreation, Cooperative Extension, Minority Affairs, Women's Commission, the Public Library of Charlotte and Mecklenburg County and Elections. The Public Library, reported as a component unit in the financial statements, provides research services, access to reading and audio-visual materials as well as special programs for children and senior citizens. These services are provided at the Main Library and 22 branch libraries.

Park and Recreation offers a variety of educational, cultural and recreational activities. This is accomplished through the programs offered to the residents of Mecklenburg County at the numerous parks, greenways, recreation centers and golf courses.

The Board of Elections supervises and manages all activities relating to elections, including voter registration and the operation of voting sites and services. There are 446,235 registered voters in Mecklenburg County.

CAPITAL IMPROVEMENTS PROGRAM

Mecklenburg County has a Three-Year Capital Improvements Program (CIP) and a Ten-Year Capital Needs Assessment. The Board of County Commissioners receives one document that covers both long-range (10 years) and short-range (3 years) needs of the community. These programs are a guide for future planning of capital improvement projects.

During the summer and fall of even-numbered years, County departments prepare capital budget requests. Cost projections are reviewed by Engineering and Building Standards, and a staff committee reviews, evaluates, and prioritizes requests among all County departments. In December these requests are presented to the Citizens' Capital Budget Advisory Committee (CCBAC), a nine-member advisory group appointed by the Board of Commissioners, by the various agencies requesting funding for their capital programs. The CCBAC reviews, evaluates, and prioritizes requests from all agencies and recommends a capital improvements program to the Board in April of odd-numbered years. In June, the Board adopts the capital improvements program as part of the budget process. Referendums are held in the fall of odd-numbered years. Bond sales are then scheduled to meet cash needs for construction projects. However, the County has scheduled a bond referendum for November 2000 to address the need for school facilities.

The fiscal years 2000-2002 the Capital Improvements Program approved by the Board totaled \$566.8 million. The largest portion of this is for land banking totaling \$220 million. Central campus land acquisition and renovations, and South and West Campus construction at Central Piedmont Community College will require \$82.6 million. Construction of a new courthouse and parking deck and facilities master plan renovations will require \$101.5 million, \$100 million will provide funds for land acquisition, improvement and development of park facilities. Funding is included for various other capital improvements totaling \$62.7 million.

The fiscal year 2001 Capital Improvements Program for the Charlotte-Mecklenburg Schools approved by the Board of County Commissioners totaled \$280.5 million. Of this amount \$275.5 million will be included on a November 2000 bond referendum, and \$5.0 million will be funded from existing Land Banking bonds. The school's capital request is divided into three major categories: replacement/renovation of school facilities, renovation of existing space and land acquisition and new construction.

GENERAL DESCRIPTION

Mecklenburg County is located in south-central North Carolina on the South Carolina border. Situated in the gently rolling Piedmont Region of the Appalachian Highlands, the County is approximately 180 miles from the Atlantic coast, 390 miles southwest of Washington, and 250 miles northeast of Atlanta. Mecklenburg's topography varies from a mean sea level measurement of 840 feet at the northern end to 532 feet at the southern boundary. The County has a land mass of 541 square miles which excludes approximately 26.5 square miles of water resources provided by Lake Wylie, Mountain Island Lake, Lake Norman, and the Catawba River. Mountain Island Lake is the primary source of usable water for the County. The lakes, all part of the Catawba River Basin, are utilized in the production of electricity and provide recreational areas for the County.



Exhibit 17
Mecklenburg County Population

2000	661,091
1999	644,338
1998	628,010
1997	612,095
1996	596,875

Source: Charlotte Chamber of Commerce

Mecklenburg County is the most populous county in the state. Exhibit 17 shows the consistent growth pattern of the County during the past five years. Mecklenburg County enjoys a relatively comfortable year-round climate that makes it appealing to residents and industry alike. The weather includes sunny or partly sunny skies about eight months out of the year. Extreme temperatures and severe weather are rare. Winters are mild with a January average temperature of 39.3 degrees. The average temperature in July is 79.3 degrees. Average rainfall is 43.09 inches. Mecklenburg's combination of temperature and humidity makes the County well suited for commerce and industry.

Facts and Information

ECONOMY

Mecklenburg County's economy has remained sound during the past five years. Sales and Marketing Management's *Survey of Buying Power* reveals that Mecklenburg's Effective Buying Income (EBI) has been consistently above the national average. The EBI is an accepted economic indicator of income after mandatory taxes have been subtracted. Exhibit 18 shows Mecklenburg's EBI per capita compared with the United States' values; both have been adjusted to account for inflation. Gross Retail Sales is generally accepted as a good indicator as to how well an economy is progressing. Mecklenburg County has seen a dramatic increase in retail sales which is further evidence of its continued economic growth. Gross Retail Sales for Mecklenburg County are shown in Exhibit 19.

Exhibit 18

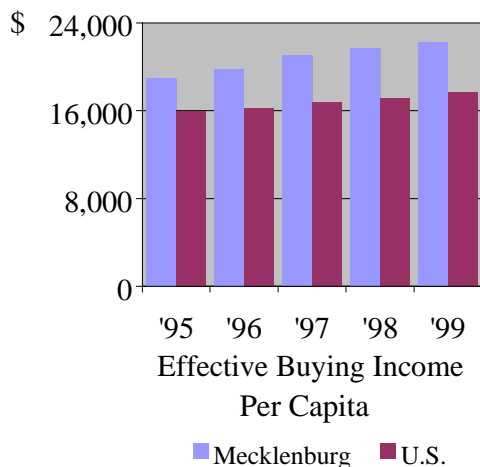
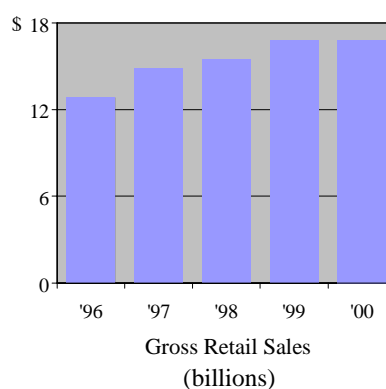


Exhibit 19



GROWTH OF THE TAX BASE

Exhibit 20 shows the increase in the tax base over the last five years. For fiscal year 2000, current assessments totaled \$60.4 billion. During fiscal years 1996 through 2000, the total general tax levy increased from \$336.7 million to \$440.7 million. The levy was adjusted for inflation using the Implicit Price Deflator Index (Base Year = 1996) and then divided by the County population to show the Tax Levy Per Capita trend given in Exhibit 21. Taxes for Charlotte-Mecklenburg residents are comparable to other areas of the nation with similar demographics.

Exhibit 20

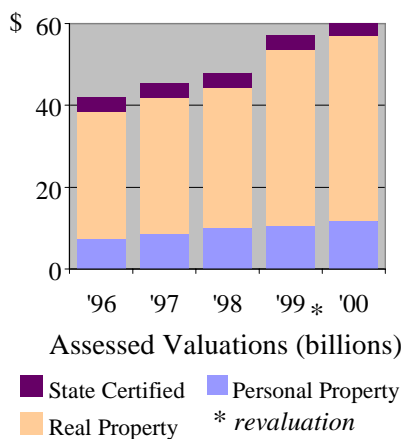


Exhibit 21

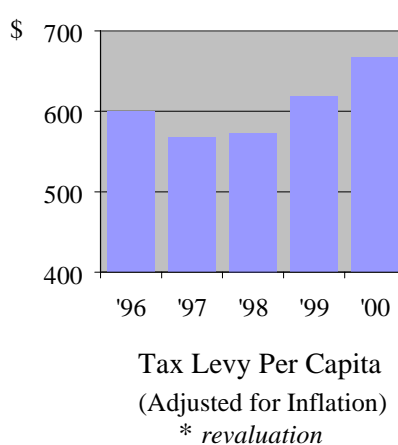


Exhibit 22 lists principal taxpayers in Mecklenburg County and shows the wide representation of industrial categories in the County.

Exhibit 22

MECKLENBURG COUNTY PRINCIPAL TAXPAYERS Fiscal Year 1999-00

<u>Firm</u>	<u>Type of Enterprise</u>	<u>Assessed Value</u>	<u>Tax Levy</u>
Duke Energy Corporation	Utility	\$2,387,557,383	\$17,519,464
Bank of America	Financial Services	698,430,344	5,114,788
First Union National Bank North Carolina	Financial Services	643,873,470	4,903,293
BellSouth Telecommunications	Utility	600,687,764	4,521,581
US Airways, Incorporated	Transportation	381,553,036	2,789,319
Piedmont Natural Gas	Utility	257,180,155	1,891,927
Childress Klein	Property Management and Development	223,011,974	1,629,642
International Business Machines Corporation	Computer Technology	192,760,633	1,408,371
Carolina Stadium	Football Stadium	180,545,883	1,317,985
General Tire	Manufacturing	129,924,531	948,449

Source: Tax Administrator

COMMERCE AND INDUSTRY

Over 6.3 million people live within a 100 mile radius of Mecklenburg County. Of the country's 52 million-plus population markets, 28 are within 650 miles of Charlotte. Rand McNally and Co. recognizes the Charlotte/Greensboro/Greenville Major Trading Area (MTA) which centers in the Charlotte metro region as the fifth largest in the United States. From 1980 to 1997, Charlotte's MTA increased by approximately 2 million people placing it the fifth fastest growing of the 50 MTA's in the nation. The Charlotte-Gastonia-Rock Hill Metropolitan Statistical Area (MSA) comprises a prosperous seven county area reflected by an Effective Buying Income total of \$26.4 billion.

The County has become an important location for regional headquarters of major national and international companies with nearly 400 foreign firms representing 35 different countries now conducting business in Charlotte. A large number of national corporations have selected the County for establishment of sales offices, division headquarters, research and development facilities, and other administrative units.

According to Dun and Bradstreet's 1999 *Million Dollar Directory*, 651 corporations with a net worth in excess of \$.5 million are headquartered in Mecklenburg County. Fortune 500 service and industrial companies are represented with 305 offices in the area. The County is presently the second largest financial center in the United States, and serves as headquarters for financial institutions with assets of approximately \$855 billion. The County's continued growth as a leading financial center of the Southeast is attributable to a number of factors. Among the most important factors are certain State laws permitting branch banking and the location of a branch of the Federal Reserve Bank in the County.

Bank of America, First Union National Bank and Wachovia Bank of North Carolina are three of the nation's 20 largest banks ranked by assets. Bank of America, ranked number two in total deposits, and First Union National Bank are headquartered here. There are 20 banks with over 220 banking offices located in the County with total deposits exceeding \$22 billion. Many of the banks in the County have international departments, and together they have overseas branches and representative offices in 12 countries. They offer foreign currency exchange, multi-currency loans, trade financing, letters of credit, money transfers and cash management. In addition, 264 mortgage-lending institutions, including eight of the nation's 20 largest, operate in the County and service approximately \$80 billion in mortgage loans. Employment in the financial sector is estimated to exceed 27,000. Also located in the County is a branch of the United States Small Business Administration that is active in arranging loans for smaller businesses.

Major corporations operating within the County are IBM, AT&T and Travelers Insurance. The headquarters offices of Interstate/Johnson Lane, Inc., Royal Insurance & Sun Alliance, UNISYS, Verbatim and Coca-Cola Consolidated are

Facts and Information

also located within the County. A concentration of communications-related companies in the County makes it a regional center for this type of activity. The County has within its boundaries the state headquarters of BellSouth Telecommunications, Western Union's District Office for the state, seven commercial television stations, three public television stations, 26 radio stations and a newspaper with an average daily circulation of 239,701. The County is the center of the 28th largest television market in the United States and, if combined with neighboring television markets, the County is the center of the fourth largest television market.

Although distribution and finance are primary areas of activity and growth, manufacturing continues to be important to the County. Historically, textiles, food products, printed and published material, machinery and chemicals have been important products. Additional manufacturers have broadened this base to include maintenance machines and tools, data processing equipment, truck tires and publishing products. Manufacturing firms in the County are shown by category in Exhibit 23. There are currently 1,218 manufacturing firms in the County according to the 1999 Charlotte Manufacturers Directory. Economic growth in Mecklenburg County continues to be strong. In 1999, there were 1,051 new or expanded businesses. Investments of \$1.5 billion resulted in the creation of over 19,700 jobs.

The unemployment rate history of Mecklenburg County compared to the national unemployment rate since fiscal year 1996 is presented in Exhibit 24.

Exhibit 23

MANUFACTURING FIRMS REPRESENTED BY CATEGORY

<u>Industrial Category</u>	<u>Number Of firms</u>
Printing and Publishing	222
Machinery	212
Fabricated Metal Products	129
Chemicals and Allied Products	91
Apparel Products	58
Rubber and Plastic Products	56
Miscellaneous Manufacturing	53
Instruments	49
Textile Mill Products	47
Paper and Allied Products	46
Food Products	44
Lumber and Wood Products	43
Electrical Equipment	41
Transportation Equipment	37
Stone, Clay and Glass Products	32
Furniture and Fixtures	25
Primary Metal Industries	25
Petroleum Refining	6
Leather Products	2
TOTAL	1,218

Source: Charlotte Manufacturers Directory, 1999

Exhibit 24

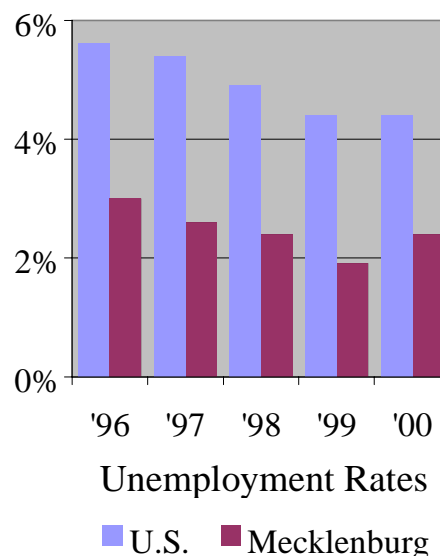


Exhibit 25

**EMPLOYERS OF 1000 OR MORE PERSONS
Mecklenburg County, North Carolina**

15,000 TO 19,999 EMPLOYEES	First Union Corporation*
10,000 TO 14,999 EMPLOYEES	Bank of America*
4,500 TO 9,999 EMPLOYEES	Charlotte-Mecklenburg Board of Education
	Carolinas Health Care System*
	City of Charlotte*
	County of Mecklenburg*
	Duke Energy Corporation*
	North Carolina State Government
	Presbyterian/Novant Health*
	United States Government
	US Airways
2,500 TO 4,499 EMPLOYEES	Bellsouth Telecommunications
	Ruddick/Harris-Teeter, Inc.*
	Solectron Technology, Inc
	United States Postal Service
	Winn-Dixie Charlotte, Inc
1,500 TO 2,499 EMPLOYEES	Allstate Insurance Company
	Belk Inc.*
	Carolina Restaurant Group, LLC (Wendy's)*
	Central Piedmont Community College*
	Compass Group*
	Family Dollar Stores, Inc.*
	Food Lion
	IBM Corporation
	Interstate Brands-Merita
	Lowe's Companies
	McCopco Operations (McDonald's)*
	Royal & SunAlliance
	University of North Carolina at Charlotte*
	Wal-Mart Stores/Sam's
1,000 TO 1,499 EMPLOYEES	AT&T
	The Charlotte Observer
	Coca-Cola Bottling Consolidated*
	Continental General Tire, Inc.*
	Eckerd Corporation
	J. A. Jones Services
	Lance, Inc.*
	Microsoft Corporation
	Rea Construction Company
	Sprint PCS
	Wachovia Bank of North Carolina
	Yellow Freight System

* Headquartered in the County

Source: Charlotte Chamber of Commerce, 1999

Facts and Information

Noted as one of the hottest and most affordable housing markets by *U.S. News & World Report*, the area's continuous growth in the housing market insures that a wide array of options exists for any prospective home buyer. Whether one is in the market for a new home, apartment, condominium or townhouse, the neighborhood atmosphere of each community adds a perfect blend of price ranges, variety and living environments. The average sale price of a home in 1999 was \$187,974.

Building starts are a common statistical indicator of the future growth of a community. Exhibit 26 shows the number of building permits issued by Mecklenburg County. Construction in residential units is provided in Exhibit 27. Over the last five years the value of new residential construction has averaged \$1 billion per year.

Exhibit 26

NUMBER AND VALUE OF BUILDING PERMITS Mecklenburg County, North Carolina

Calendar Year	Number Building Permits	Value (Millions)		
		Residential	Non- Residential	Total
1999	19,323	\$1,313.7	\$1,044.2	\$2,357.9
1998	17,845	1,362.5	1,005.3	\$2,367.8
1997	15,635	1,036.1	836.2	1,872.3
1996	14,050	1,036.9	675.5	1,712.4
1995	12,358	863.1	689.8	1,552.9

Source: Charlotte-Mecklenburg Building Standards and Code Enforcement Department. Compiled by Charlotte Chamber of Commerce

Exhibit 27

NEW RESIDENTIAL CONSTRUCTION BY TYPE Mecklenburg County, North Carolina

Calendar Year	One – Family	Number of Units		
		Duplex	Apartment	Total
1999	9,755	32	4,210	13,997
1998	8,663	32	4,174	12,869
1997	6,916	32	3,373	10,321
1996	6,420	30	4,548	10,998
1995	5,520	12	3,564	9,096

Source: Charlotte-Mecklenburg Building Standards and Code Enforcement Department. Compiled by Charlotte Chamber of Commerce

Industrial parks have also been a major factor in the development of the County. The largest of these is University Research Park with 3,200 acres. It is the seventh largest park of its kind in the Country.

TRANSPORTATION

Major expansion, maintenance and betterments of primary and secondary highways within the County are primarily the responsibility of the State. Each municipality within the County bears the primary responsibility for its local street systems. Businesses in the County play a major role in the transportation and distribution of goods in the Southeast. One-third of the nation's leading common carriers in terms of revenues, including nine of the top ten, have terminals in the Charlotte-Gastonia-Rock Hill MSA. Approximately 290 motor freight, van lines, and local trucking firms operate in the County and, with more than 5,000 County-based tractor-trailers, offer a wide range of delivery zones making the County an important *break-bulk* point. Charlotte is the eleventh largest trucking employer in the country and second in the Southeast.

Air and rail freight carriers also provide important transportation and distribution services, including modern rail and piggy-back facilities which aid the trucking industry. More than a dozen carriers ship by air in excess of 200 tons of freight. Based upon total air cargo tonnage transported, the airport is ranked thirtieth nationwide. The County is also served by Norfolk Southern and CSX Transportation and has four off-line sales offices. More than 250 trains service the County weekly. There is reciprocal switching among the lines in some cases, and both main line railroads have junctions within the County. One of the railroads also has automobile unloading facilities that can access multi-level rail cars.

The County is served by Interstate Highways 77 and 85, which intersect in Charlotte; by U. S. Highways 21, 29, 74 and 521; and by N.C. Highways 16, 24, 27, 49, 51, 73, 115 and 160. Twenty-five miles of the 67-mile I-485 outerbelt freeway being built around the inside edges of Mecklenburg County have opened for traffic.

In November 1998, the voters of Mecklenburg County approved an additional half-cent sales tax to fund transit projects that are part of the 2025 Integrated Transit/Land Use Plan for Charlotte-Mecklenburg. The Plan provides for the development of a regional rapid transit system and includes purchase of land for right-of-way, stations, and park-and-ride lots; purchase of trains and buses; and construction of yards, shops, stations tracks, bridges, streets and busways.

Charlotte Douglas International Airport, 22nd busiest in the United States by operations, is served by 10 major carriers - US Airways, Delta, United, Northwest, British Airways, American, Continental, Canadian Regional and Trans World; and by three commuter carriers - US Airways Express, Continental Express Comair. All major markets are served from Charlotte with a majority of the United States population less than two hours away by air. The Airport now has over 500 daily flights serving over 150 cities. US Airways offers non-stop transatlantic flights daily to London, Paris, Frankfurt, Toronto, Cancun, Mexico, San Juan, Puerto Rico, Bermuda, Grand Cayman Islands, Montego Bay, Costa Rica, Nassau, Saint Maarten and Aruba.

Passenger traffic was over 21 million during calendar year 1999. The number of landings and takeoffs in 1999 was 432,128.

EDUCATION

Serving over 100,000 students in the County, the Charlotte-Mecklenburg Board of Education is the 25th largest school system in the nation and the largest in the two Carolinas, based on student enrollment as cited by the National Center for Education Statistics. Exhibit 28 details the enrollment in the Charlotte-Mecklenburg Schools.

Exhibit 28

CHARLOTTE-MECKLENBURG SCHOOL ENROLLMENT

<u>Year</u>	<u>Average Daily Memberships (ADM)</u>					<u>Percent</u>		<u>Number</u> <u>of</u> <u>Schools</u>
	<u>K-5</u>	<u>6-8</u>	<u>9-12</u>	<u>Special</u>	<u>Total</u>	<u>Enrolled</u>	<u>Enroll.</u>	
1999-00	50,819	22,338	23,186	2,194	98,537	100,368	98.2	143
1998-99	49,904	21,428	23,575	2,121	97,028	98,542	98.5	142
1997-98	48,641	20,720	22,639	2,037	94,037	95,797	98.2	138
1996-97	50,855	19,358	19,236	1,951	91,400	92,994	98.3	135
1995-96	49,637	18,998	16,935	2,019	87,589	88,854	98.6	131

Source: Charlotte-Mecklenburg Board of Education

A nine-member Board of Education is the policy-making authority. Board members are elected to four-year staggered terms on a non-partisan basis. Beginning in 1999, three Board of Education members were elected at-large to four year terms. Six members will be elected to four year terms from districts beginning in 2001. Administrative responsibility is vested in an appointed superintendent who serves as chief executive officer.

North Carolina law provides a basic minimum educational program for each school administrative unit or district. The minimum program provides funds from the State for operational costs only. The financing of public school facilities is primarily the responsibility of the County; however, the State has a program funded by corporate income taxes to match certain County capital expenditures and in November 1996, a State bond referendum was approved which will provide approximately \$119 million to the County for the schools over a four-year period.

The Charlotte-Mecklenburg Board of Education receives funding from the County for both school current expenses and capital outlay needs. The local Board of Education has general control and supervision of all matters pertaining to the public schools in the County. State regulations and policies must be followed by local school boards. The Charlotte-Mecklenburg Board of Education must present budget requests for current expenses and capital expenditures to the County by May 30 of each year.

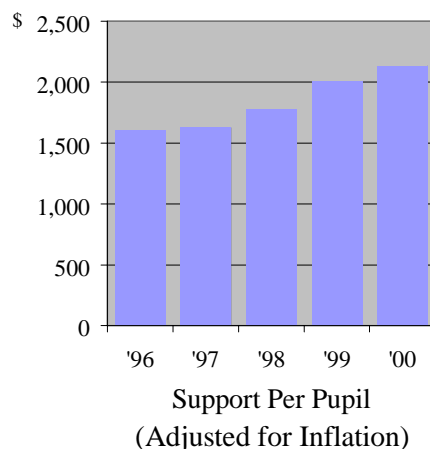
During the budget hearings held by the Board of Commissioners, these requests are reviewed and an amount is appropriated in the County's annual operating budget for the school system's budget. The 1999-2000 school budget, including food service operations, was approximately \$761 million: 59% provided by the State, 30% by the County (mostly through property taxes), 6% by the Federal government, and 5% by miscellaneous sources. Approximately 86% of the budget is allocated to salaries and employee benefits. Most local funds are used to supplement regular State salaries, to hire extra teachers not provided for by the State, and for the operation and maintenance of school buildings. The 2000-01 County budget includes a \$228.3 million allocation to the public school system.

Facts and Information

In the 1999-2000 school year, the Charlotte-Mecklenburg Board of Education operated 86 elementary schools, 27 middle schools, 13 high schools, a center for students who are mentally disabled, a school for teenage parents, an evening school, a school for artistically talented students, three middle and three high school programs for students excluded from regular school settings for exhibiting inappropriate behavior, a program for the emotionally handicapped, three pre-school programs for four-year-olds with a total enrollment of 2,043, a school for children of the homeless and two alternative schools for students benefiting from additional attention received in a smaller classroom environment.

The County's support per student, exclusive of debt service and based on total enrollment, is shown in Exhibit 29. These operational costs are adjusted for inflation to 2000 current dollars using the Implicit Price Deflator Index.

Exhibit 29



The 1997 North Carolina General Assembly passed legislation creating charter schools, an alternative to traditional public education. Charter schools are separate entities and are not a component of the local school system. As part of the funding for charter schools, the legislation requires a portion of the local, County funds designated for education to be redirected to charter schools. In the 1999-2000 school year, the portion of local education funds redirected to the charter schools operating in the County was \$1,539,000 for four charter schools with an enrollment of 949. In addition, approximately 60 private and parochial schools, with an enrollment of over 17,000 students, serve the County. In addition to public schools, approximately 60 private and parochial schools, with an enrollment of over 17,000 students, serve the County. Colleges and universities in Mecklenburg County offer opportunities for further education. Approximately 86% of students finishing public schools continue their formal education. There are numerous choices available to anyone wishing to further his education. The area offers the opportunity to attend exceptional, small private colleges, church affiliated institutions, a community college or a large state university. Exhibit 30 presents enrollments for institutions of higher learning within the County.

The University of North Carolina at Charlotte (UNC-Charlotte), part of the state university system of colleges, is one of the State's most progressive institutions of teaching, research and public service. UNC-Charlotte's doctoral programs include electrical engineering, mechanical engineering and applied mathematics.

Central Piedmont Community College (CPCC) has been recognized nationally as one of the top five community colleges in America based on excellence in teaching. Class instruction occurs at all four of its campus locations, its two centers and at various other sites across the County. CPCC received \$11,260,043 from the County in fiscal year 2000.

Funding is used for operating expenses, salary supplements for professional and clerical employees and those items that are not funded by the State. The County also issues bonds for CPCC projects that are included in the Capital Improvements Program and incurs the debt service on those bonds.

Exhibit 30**MECKLENBURG COUNTY INSTITUTIONS
OF HIGHER LEARNING**

	<u>Fall 2000</u>		<u>Fall 1999</u>	
	<u>Students</u>	<u>Faculty</u>	<u>Students</u>	<u>Faculty</u>
University of North Carolina at Charlotte	16,995	991	16,844	975
Central Piedmont Community College	14,862	1267	14,775	716
Queens College	1,560	76	1,560	120
Davidson College	1,844	159	1,804	168
Johnson C. Smith University	1,576	108	1,545	110
Kings College	375	18	337	19
Lee University (formerly East Coast Bible College)	57	5	30	5

Sources: Provided by each institution.**Note:** Faculty includes part-time instructors.**CULTURAL AND RECREATIONAL ACTIVITIES**

A wide variety of theatrical and art programs are offered throughout the County. Spirit Square and Discovery Place offer unique ways to discover and participate in the arts and sciences. The Mint Museum of Art, once a branch of the U.S. Mint, The Mint Museum Of Craft and Design which opened January, 1999 and the Afro-American Cultural Center host an array of visual arts including paintings, sculptures and special exhibitions. The North Carolina Blumenthal Center for the Performing Arts in uptown Charlotte showcases the best in opera, symphony, chorus, dance and theater, and contains a 2,100-seat performance hall and a 440-seat theater. The County also has its share of historical sites and museums. The McIntyre Historic Site was the scene of a Revolutionary War skirmish and later a gold mining site. Latta Plantation Park was built around 1800 and includes a restored river plantation house. The old County Courthouse on East Trade Street is the site of a monument to the signers of the Mecklenburg Declaration of Independence. Collections and exhibits emphasizing the history of Mecklenburg County are housed at the Charlotte Museum of History and Hezekiah Alexander Homesite. The Museum of the New South traces the history of the area since the Civil War.

Mecklenburg County offers practically any sport or recreational endeavor one would like to pursue. Recreational pleasures can be enjoyed at any of the counties 122 parks or one of its five public golf courses. The area also offers many sports opportunities for the spectator. The Carolina Panthers, an NFL franchise, play at a stadium built in 1996 for which the County and City of Charlotte jointly provided the site in the center of the city and agreed to a land lease. Richardson Sports financed and constructed the privately-owned 73,250 seat Ericsson Stadium. Attendance for the Panthers 1999-00 season was 602,082. Charlotte is also home to the Charlotte Hornets - a National Basketball Association franchise and the Charlotte Sting - one of ten professional Women's National Basketball Association teams. The Charlotte Coliseum hosted college basketball Diet Pepsi Tournament of Champions. The Mecklenburg Aquatic Club hosted the Ultra Swim Invitational swim meet in the Mecklenburg County Aquatic Center. Lowe's Motor Speedway, one of the few super speedways in the country, is host to The Winston, the Coca-Cola 600 in May and the UAW-GM 500 in October for NASCAR. The County and surrounding areas are also home to the Charlotte Knights, a class AAA professional baseball team whose parent club is the Chicago White Sox and the Charlotte Checkers, an ice hockey team affiliated with the National Hockey League (NHL) New York Rangers. New to the area are the Carolina Diamonds, a women's professional fast pitch softball team. The Tournament Players Club at Piper Glen annually hosts the PaineWebber Invitational, a Senior PGA Tour Event.

Concerts by nationally prominent groups and solo artists at the Blockbuster Pavilion, Charlotte Coliseum, Ovens Auditorium, Independence Arena, Memorial Stadium, Grady Cole Center, and Paramount Carowinds Paladium draw thousands for musical entertainment. The Festival in the Park is an annual event featuring arts, crafts, food and music for the entire family. Paramount Carowinds theme park is on the border of Mecklenburg County. The diverse assortment of recreational and cultural activities help make Mecklenburg County the most popular tourist destination in the State.

Facts and Information

MEDICAL FACILITIES

Mecklenburg residents are served by six general acute care hospitals, one specialty hospital, one rehabilitation hospital, one hospital for substance abusers, and two hospitals for psychiatric care (see Exhibit 31). These quality health care facilities serve more than one million patients a year. Carolinas Medical Center, the second largest hospital in North and South Carolina, operates a state-designated Academic Medical Center Teaching Hospital and Level I Trauma Center. In addition, Carolinas Medical Center operates the James G. Cannon Research Center, providing a central research facility for basic and clinical medicine. Presbyterian Hospital houses the Center for Women's Health, which includes the most active maternity center in Charlotte; the 72-bed Hemby Children's Hospital, the Belk Heart Center and the Charlotte region's most comprehensive cancer center. The Center for Surgery performs more surgeries in North Carolina than any other hospital specializing in same-day service. Three of the colleges in the County offer degree programs in nursing and send their students to local hospitals for clinical training. Three hospitals have their own diploma nursing programs.

In addition, as of June 30, 2000, there were 26 nursing homes which provide 3,058 beds throughout the County.

Exhibit 31

HOSPITAL FACILITIES

Mecklenburg County

	<u>Licensed Beds</u>	
	<u>2000</u>	<u>1999</u>
General Acute Care Hospitals		
Carolinas Medical Center	777	777
Presbyterian Hospital	581	546
Presbyterian Matthews	102	102
Mercy Hospital	305	305
University Hospital	130	130
Mercy Hospital, South	97	95
Specialty Hospitals		
Presbyterian Orthopaedic Hospital	168	156
Rehabilitation Hospital		
Charlotte Institute of Rehabilitation	118	118
Treatment Facility for Substance Abusers		
Amethyst Charlotte, Inc.	-	24
Inpatient Psychiatric Care		
CPC Cedar Spring Hospital	-	70
Carolinas Medical Center's Center for Mental Health	68	66

Source: Charlotte Chamber of Commerce

SUMMARY

Mecklenburg County is a nationally recognized economic success story. With its booming economy and rapid expansion in all sectors of industry, the County has demonstrated the ability to maintain its status as a leader in the region. This ensures not only a higher standard of living for its residents but a steady influx of businesses and jobs that are vital to the economic strength of the area.

Financial

*The Financial Section constitutes the formal portion of the report.
The independent auditors' report relates only to the combined,
combining and individual fund statements within this section.
These schedules are presented with summary statements shown
first, followed by more detailed statements.*



McGLADREY & PULLEN, LLP

Certified Public Accountants

RSM
international

INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the
Board of County Commissioners
Mecklenburg County, North Carolina
Charlotte, North Carolina

We have audited the accompanying general-purpose financial statements of Mecklenburg County, North Carolina ("the County"), as of and for the year ended June 30, 2000, as listed in the table of contents. These general-purpose financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit. We did not audit the financial statements of the Public Library of Charlotte and Mecklenburg County, the Mecklenburg County Alcoholic Beverage Control Board and the Mecklenburg Emergency Medical Services Agency, discretely presented component units, whose statements reflect total assets of \$94,978,209 as of June 30, 2000 and total revenues of \$52,584,438 for the year then ended. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts for the Public Library of Charlotte and Mecklenburg County, the Mecklenburg County Alcoholic Beverage Control Board and the Mecklenburg Emergency Medical Services Agency are based solely on the reports of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Mecklenburg County Alcoholic Beverage Control Board were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based upon our audit and the reports of the other auditors, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of Mecklenburg County, North Carolina, as of June 30, 2000, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2000 on our consideration of Mecklenburg County's, excluding Public Library of Charlotte and Mecklenburg County, the Mecklenburg County Alcoholic Beverage Control Board and the Mecklenburg Emergency Medical Services Agency, internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of Mecklenburg County, North Carolina, taken as a whole. The combining and individual fund and account group financial statements and schedules are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, based on our audit and the reports of the other auditors, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

The other data included in the comprehensive annual financial report, designated as "Introduction" and "Statistical" in the table of contents, have not been audited by us and, accordingly, we express no opinion on such data.

McGladrey & Pullen, LLP

Greensboro, North Carolina
September 26, 2000

General Purpose Financial Statements

The General Purpose Financial Statements provide a summary of the financial position of Mecklenburg County and its component units. Included are all funds and account groups and the operating results by fund types. These Statements also serve as an introduction to the more detailed statements and schedules that follow.

MECKLENBURG COUNTY, NORTH CAROLINA
COMBINED BALANCE SHEET
ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNITS
JUNE 30, 2000

	Governmental Fund Types			Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals Primary Government (Memorandum Only)	Public Library of Charlotte and Mecklenburg County	Component Units Mecklenburg County Alcoholic Beverage Control Board	Mecklenburg Emergency Medical Services Agency	Totals Reporting Entity (Memorandum Only)
	General	Special Revenue	Capital Projects	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-term Debt					
ASSETS AND OTHER DEBITS													
Current assets:													
Cash and investments	\$ 154,341,544	\$ 15,236,080	\$ 218,701,219	\$ 8,173,893	\$ 4,015,996	\$ 11,790,524	\$ -	\$ -	\$ 412,259,256	\$ 1,012,425	\$ 9,768,364	\$ 3,054,400	\$ 426,094,445
Accrued interest receivable	5,319,960	174,390	-	116,178	69,016	2,243	-	-	5,681,787	-	-	-	5,681,787
Accounts receivable	53,010,309	9,002,183	54,144	4,383,770	196,465	15,773	-	-	66,662,644	769,242	15,058	3,469,506	70,916,450
Accounts receivable - clinics	27,199,025	-	-	-	-	-	-	-	27,199,025	-	-	-	27,199,025
Less allowance for doubtful accounts	(18,801,880)	-	-	-	-	-	-	-	(18,801,880)	-	-	-	(18,801,880)
Taxes receivable	24,692,822	278,604	-	-	-	-	-	-	24,971,426	-	-	-	24,971,426
Less allowance for uncollectible taxes	(8,000,000)	(82,000)	-	-	-	-	-	-	(8,082,000)	-	-	-	(8,082,000)
Advances to other governmental agencies	414,619	166,870	811,970	-	-	-	-	-	1,393,459	-	-	-	1,393,459
Due from other funds	-	-	-	-	-	-	-	-	-	9,556	-	-	9,556
Due from component units	475,000	-	-	-	-	-	-	-	-	-	-	-	475,000
Inventory	-	-	-	-	102,663	-	-	-	102,663	-	4,092,303	-	4,194,966
Total current assets	238,651,399	24,776,127	219,567,333	12,673,841	4,384,140	11,808,540	-	-	511,861,380	1,791,223	13,875,725	6,523,906	534,052,234
Restricted Assets:													
Cash and investments	-	-	-	3,687,549	-	-	-	-	3,687,549	-	-	-	3,687,549
Long-term assets:													
Fixed assets, net of accumulated depreciation	-	-	-	35,876,691	13,298,517	-	467,042,261	-	516,217,469	50,496,236	11,916,120	7,858,541	586,488,366
Other debits:													
Amount to be provided for retirement of general long-term debt	-	-	-	-	-	-	-	1,155,246,546	1,155,246,546	1,949,857	-	566,601	1,157,763,004
TOTAL ASSETS AND OTHER DEBITS	\$ 238,651,399	\$ 24,776,127	\$ 219,567,333	\$ 52,238,081	\$ 17,682,657	\$ 11,808,540	\$ 467,042,261	\$ 1,155,246,546	\$ 2,187,012,944	\$ 54,237,316	\$ 25,791,845	\$ 14,949,048	\$ 2,281,991,153
LIABILITIES, EQUITY AND OTHER CREDITS													
Liabilities:													
Current:													
Accounts payable and accrued liabilities	\$ 41,770,185	\$ 1,745,948	\$ 10,944,017	\$ 1,583,999	\$ 884,319	\$ 4,929,670	\$ -	\$ -	\$ 61,858,138	\$ 129,116	\$ 3,916,880	\$ 1,463,305	\$ 67,367,439
Capital leases	-	-	-	174,426	428,866	-	-	2,468,400	3,071,692	-	-	-	3,071,692
Certificates of participation	-	-	-	-	-	-	-	1,250,000	1,250,000	-	-	-	1,250,000
Advance deposits and payments	775,116	-	-	-	-	-	-	-	775,116	-	-	-	775,116
Due to other funds	-	-	-	-	-	-	-	-	-	9,556	-	-	9,556
Due to other governments	-	-	-	-	-	3,043,990	-	-	3,043,990	-	-	-	3,043,990
Deferred revenue	19,239,985	204,681	-	-	-	-	-	-	19,444,666	-	-	2,316,086	21,760,752
Bonds payable	-	-	-	2,158,978	-	-	-	59,455,697	61,614,675	-	-	-	61,614,675
Total current liabilities	61,785,286	1,950,629	10,944,017	3,917,403	1,313,185	7,973,660	-	63,174,097	151,058,277	138,672	3,916,880	3,779,391	158,893,220
Long-term:													
Accrued landfill development and postclosure care costs	-	-	-	200,088	-	-	-	-	200,088	-	-	-	200,088
Accrued vacation and sick leave	-	-	-	314,875	1,063,976	-	-	13,541,138	14,919,989	1,355,836	-	566,601	16,842,426
Capital leases	-	-	-	697,703	95,338	-	-	9,436,526	10,229,567	594,021	-	-	10,823,588
Certificates of participation	-	-	-	-	-	-	-	23,750,000	23,750,000	-	-	-	23,750,000
Unfunded pension liability	-	-	-	-	-	-	-	749,737	749,737	-	-	-	749,737
Bonds payable	-	-	-	15,971,389	-	-	-	1,044,595,048	1,060,566,437	-	-	-	1,060,566,437
Total long-term liabilities	-	-	-	17,184,055	1,159,314	-	-	1,092,072,449	1,110,415,818	1,949,857	-	566,601	1,112,932,276
Total liabilities	61,785,286	1,950,629	10,944,017	21,101,458	2,472,499	7,973,660	-	1,155,246,546	1,261,474,095	2,088,529	3,916,880	4,345,992	1,271,825,496
Equity and other credits:													
Investment in general fixed assets	-	-	-	-	-	-	467,042,261	-	467,042,261	50,496,236	-	7,858,541	525,397,038
Contributions to equity (net)	-	-	-	32,509,898	6,897,662	-	-	-	39,407,560	-	-	-	39,407,560
Retained earnings (deficit)	-	-	-	(1,373,275)	8,312,496	-	-	-	6,939,221	-	21,874,965	-	28,814,186
Fund balances:													
Reserved for encumbrances	10,213,412	2,593,155	32,064,752	-	-	64,001	-	-	44,935,320	613,385	-	713,728	46,262,433
Reserved by State statute	67,617,033	9,343,443	866,114	-	-	16,835	-	-	77,843,425	778,657	-	1,153,420	79,775,502
Unreserved:													
Designated for policy development and management support services	-	-	-	-	-	155,206	-	-	155,206	-	-	-	155,206
Designated for regulatory and operational services	46,172	-	-	-	-	270,635	-	-	316,807	-	-	-	316,807
Designated for community services	98,900	-	-	-	-	15,327	-	-	114,227	212,311	-	-	326,538
Designated for public safety and court support services	64,860	-	-	-	-	359,824	-	-	424,684	-	-	-	424,684
Designated for health and human services	253,500	-	-	-	-	85,134	-	-	338,634	-	-	-	338,634
Designated for government relations	-	-	-	-	-	2,867,918	-	-	2,867,918	-	-	-	2,867,918
Designated for capital projects	-	7,225,548	173,653,312	-	-	-	-	-	180,878,860	-	-	-	180,878,860
Designated for self-insurance	1,639,877	-	-	-	-	-	-	-	1,639,877	-	-	-	1,639,877
Designated for subsequent years' expenditures	28,875,794	1,918,098	-	-	-	-	-	-	30,793,892	-	-	-	30,793,892
Undesignated	68,056,565	1,745,254	2,039,138	-	-	-	-	-	71,840,957	48,198	-	877,367	72,766,522
Total equity and other credits	176,866,113	22,825,498	208,623,316	31,136,623	15,210,158	3,834,880	467,042,261	-	925,538,849	52,148,787	21,874,965	10,603,056	1,010,165,657
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	\$ 238,651,399	\$ 24,776,127	\$ 219,567,333	\$ 52,238,081	\$ 17,682,657	\$ 11,808,540	\$ 467,042,261	\$ 1,155,246,546	\$ 2,187,012,944	\$ 54,237,316	\$ 25,791,845	\$ 14,949,048	\$ 2,281,991,153

See accompanying notes to the combined financial statements.

MECKLENBURG COUNTY, NORTH CAROLINA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL FUND TYPES, EXPENDABLE TRUST FUNDS AND DISCRETELY PRESENTED COMPONENT UNITS
 FOR THE YEAR ENDED JUNE 30, 2000

	Governmental Fund Types			Fiduciary Fund Types Expendable Trust	Totals Primary Government (Memorandum Only)	Component Units		Totals Reporting Entity (Memorandum Only)
	General	Special Revenue	Capital Projects			Public Library of Charlotte and Mecklenburg County	Mecklenburg Emergency Medical Services Agency	
REVENUES:								
Taxes	\$ 542,710,974	\$ 1,257,000	\$ -	\$ -	\$ 543,967,974	\$ -	\$ -	\$ 543,967,974
Law Enforcement Service District taxes	-	5,196,753	-	-	5,196,753	-	-	5,196,753
Transit one-half cent sales tax	-	32,870,856	-	-	32,870,856	-	-	32,870,856
Licenses and permits	17,911,117	-	-	-	17,911,117	-	-	17,911,117
Intergovernmental	162,208,372	182,972	37,023,446	733,734	200,148,524	1,177,918	-	201,326,442
Charges for services	45,751,142	7,531,175	-	-	53,282,317	1,377,190	6,046,180	60,705,687
Interest earned on investments	23,062,717	455,140	-	6,735	23,524,592	87,637	-	23,612,229
Administrative charges	3,664,596	-	-	-	3,664,596	-	-	3,664,596
Other	3,694,354	34,774	118,415	570,650	4,418,193	901,444	218,368	5,538,005
Total Revenues	<u>799,003,272</u>	<u>47,528,670</u>	<u>37,141,861</u>	<u>1,311,119</u>	<u>884,984,922</u>	<u>3,544,189</u>	<u>6,264,548</u>	<u>894,793,659</u>
EXPENDITURES:								
Current:								
Policy Development and Management								
Support Services	59,507,158	-	-	94,348	59,601,506	-	-	59,601,506
Corporate Support Services	14,193,760	-	-	-	14,193,760	-	-	14,193,760
Regulatory and Operational Services	30,742,240	4,402,836	-	1,099,214	36,244,290	-	-	36,244,290
Community Services	27,744,841	-	-	19,175	27,764,016	22,663,456	-	50,427,472
Public Safety and Court Support Services	65,633,434	4,757,945	-	130,744	70,522,123	-	-	70,522,123
Health and Human Services	243,397,887	-	-	137,637	243,535,524	-	14,971,976	258,507,500
Government Relations	311,617,388	25,566,142	-	1,133,712	338,317,242	-	-	338,317,242
Capital outlay	-	3,950,035	153,255,435	-	157,205,470	736,574	1,575,345	159,517,389
Total Expenditures	<u>752,836,708</u>	<u>38,676,958</u>	<u>153,255,435</u>	<u>2,614,830</u>	<u>947,383,931</u>	<u>23,400,030</u>	<u>16,547,321</u>	<u>987,331,282</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>46,166,564</u>	<u>8,851,712</u>	<u>(116,113,574)</u>	<u>(1,303,711)</u>	<u>(62,399,009)</u>	<u>(19,855,841)</u>	<u>(10,282,773)</u>	<u>(92,537,623)</u>
OTHER FINANCING SOURCES (USES):								
Operating transfers in	148,479	3,103,032	-	2,881,471	6,132,982	-	-	6,132,982
Operating transfers in - Primary Government	-	-	-	-	-	20,216,324	10,295,000	30,511,324
Transfers in-Component Unit	1,900,000	-	-	-	1,900,000	-	-	1,900,000
Operating transfers out	(5,642,932)	-	-	(148,479)	(5,791,411)	-	-	(5,791,411)
Transfers out-Component Unit-Library	(20,217,029)	-	-	-	(20,217,029)	-	-	(20,217,029)
Transfers out-Component Unit-Emergency Medical Services	(10,295,000)	-	-	-	(10,295,000)	-	-	(10,295,000)
Capital leases	5,000,000	-	-	-	5,000,000	-	-	5,000,000
Proceeds from other financing agreements	-	-	129,000,000	-	129,000,000	-	-	129,000,000
Total Other Financing Sources (Uses)	<u>(29,106,482)</u>	<u>3,103,032</u>	<u>129,000,000</u>	<u>2,732,992</u>	<u>105,729,542</u>	<u>20,216,324</u>	<u>10,295,000</u>	<u>136,240,866</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>17,060,082</u>	<u>11,954,744</u>	<u>12,886,426</u>	<u>1,429,281</u>	<u>43,330,533</u>	<u>360,483</u>	<u>12,227</u>	<u>43,703,243</u>
FUND BALANCES - BEGINNING OF FISCAL YEAR AS PREVIOUSLY STATED	<u>158,806,031</u>	<u>11,336,837</u>	<u>195,736,890</u>	<u>2,405,599</u>	<u>368,285,357</u>	<u>1,292,068</u>	<u>3,732,288</u>	<u>373,309,713</u>
RECLASSIFICATION	<u>-</u>	<u>(466,083)</u>	<u>-</u>	<u>-</u>	<u>(466,083)</u>	<u>-</u>	<u>-</u>	<u>(466,083)</u>
FUND BALANCES - BEGINNING OF FISCAL YEAR AS RESTATED	<u>158,806,031</u>	<u>10,870,754</u>	<u>195,736,890</u>	<u>2,405,599</u>	<u>367,819,274</u>	<u>1,292,068</u>	<u>3,732,288</u>	<u>372,843,630</u>
RESIDUAL EQUITY TRANSFER	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>	<u>-</u>	<u>(1,000,000)</u>	<u>-</u>
FUND BALANCES - END OF FISCAL YEAR	<u>\$ 176,866,113</u>	<u>\$ 22,825,498</u>	<u>\$ 208,623,316</u>	<u>\$ 3,834,880</u>	<u>\$ 412,149,807</u>	<u>\$ 1,652,551</u>	<u>\$ 2,744,515</u>	<u>\$ 416,546,873</u>

See accompanying notes to the combined financial statements.

MECKLENBURG COUNTY, NORTH CAROLINA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 GENERAL AND SPECIAL REVENUE FUND TYPES
 FOR THE YEAR ENDED JUNE 30, 2000

	General Fund		Annually Budgeted Special Revenue Funds		Totals (Memorandum Only)	
	Budget	Actual	Budget	Actual	Budget	Actual
REVENUES:						
Taxes	\$ 531,253,152	\$ 542,710,974	\$ 1,257,000	\$ 1,257,000	\$ 532,510,152	\$ 543,967,974
Law Enforcement Service District taxes	-	-	4,693,884	5,196,753	4,693,884	5,196,753
Transit one-half cent sales tax	-	-	25,566,142	32,870,856	25,566,142	32,870,856
Licenses and permits	16,469,852	17,911,117	-	-	16,469,852	17,911,117
Intergovernmental	165,159,745	162,208,372	10,678,503	182,972	175,838,248	162,391,344
Charges for services	47,466,021	45,751,142	7,134,201	7,531,175	54,600,222	53,282,317
Interest earned on investments	19,000,000	23,062,717	-	315,257	19,000,000	23,377,974
Administrative charges	3,708,400	3,664,596	-	-	3,708,400	3,664,596
Other	2,951,021	3,694,354	314,600	34,774	3,265,621	3,729,128
Total Revenues	786,008,191	799,003,272	49,644,330	47,388,787	835,652,521	846,392,059
EXPENDITURES:						
Current:						
Policy Development and Management						
Support Services	69,339,919	59,507,158	-	-	69,339,919	59,507,158
Corporate Support Services	15,508,493	14,193,760	-	-	15,508,493	14,193,760
Regulatory and Operational Services	35,819,606	30,742,240	19,028,336	4,402,836	54,847,942	35,145,076
Community Services	32,195,898	27,744,841	-	-	32,195,898	27,744,841
Public Safety and Court Support Services	68,763,620	65,633,434	4,757,946	4,757,945	73,521,566	70,391,379
Health and Human Services	264,939,306	243,397,887	-	-	264,939,306	243,397,887
Government Relations	312,257,307	311,617,388	25,566,142	25,566,142	337,823,449	337,183,530
Capital outlay	-	-	8,547,964	3,949,535	8,547,964	3,949,535
Total Expenditures	798,824,149	752,836,708	57,900,388	38,676,458	856,724,537	791,513,166
REVENUES OVER (UNDER) EXPENDITURES	(12,815,958)	46,166,564	(8,256,058)	8,712,329	(21,072,016)	54,878,893
OTHER FINANCING SOURCES (USES):						
Operating transfers in	339,868	148,479	3,103,032	3,103,032	3,442,900	3,251,511
Transfers in-Component Unit-ABC Board	1,769,040	1,900,000	-	-	1,769,040	1,900,000
Operating transfers out	(5,674,352)	(5,642,932)	-	-	(5,674,352)	(5,642,932)
Transfers out-Component Unit-Library	(20,239,612)	(20,217,029)	-	-	(20,239,612)	(20,217,029)
Transfers out-Component Unit-Emergency						
Medical Services	(10,295,000)	(10,295,000)	-	-	(10,295,000)	(10,295,000)
Capital leases	-	5,000,000	-	-	-	5,000,000
Appropriated fund balance	46,916,014	-	5,153,026	-	52,069,040	-
Total Other Financing Sources (Uses)	12,815,958	(29,106,482)	8,256,058	3,103,032	21,072,016	(26,003,450)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	\$ -	17,060,082	\$ -	11,815,361	\$ -	28,875,443
FUND BALANCES - BEGINNING OF FISCAL YEAR AS PREVIOUSLY STATED		158,806,031		9,118,403		167,924,434
RECLASSIFICATION		-		(466,083)		(466,083)
FUND BALANCES - BEGINNING OF FISCAL YEAR AS RESTATED		158,806,031		8,652,320		167,458,351
RESIDUAL EQUITY TRANSFER		1,000,000		-		1,000,000
FUND BALANCES - END OF FISCAL YEAR		\$ 176,866,113		\$ 20,467,681		\$ 197,333,794

See accompanying notes to the combined financial statements.

MECKLENBURG COUNTY, NORTH CAROLINA
 COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
 ALL PROPRIETARY FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNIT
 FOR THE YEAR ENDED JUNE 30, 2000

	Proprietary Fund Types		Totals Primary Government (Memorandum Only)	Component Unit Mecklenburg County Alcoholic Beverage Control Board	Totals Reporting Entity (Memorandum Only)
	Enterprise	Internal Service			
OPERATING REVENUES:					
Charges for services	\$ 22,677,739	\$ 25,391,894	\$ 48,069,633	\$ -	\$ 48,069,633
Reimbursements	-	321,714	321,714	-	321,714
Sales	1,683,147	-	1,683,147	42,775,701	44,458,848
Rentals	-	174,582	174,582	-	174,582
Other	10,269	6,763	17,032	-	17,032
TOTAL OPERATING REVENUES	24,371,155	25,894,953	50,266,108	42,775,701	93,041,809
OPERATING EXPENSES:					
Personal services and employee benefits	2,497,373	9,830,691	12,328,064	1,001,241	13,329,305
Utilities	76,489	1,720,627	1,797,116	-	1,797,116
Store and warehouse supplies	-	-	-	5,972,005	5,972,005
Supplies	278,896	2,247,694	2,526,590	-	2,526,590
Depreciation	662,649	2,389,208	3,051,857	489,449	3,541,306
Maintenance and repairs	351,661	1,777,764	2,129,425	-	2,129,425
Insurance - other than group	-	197,349	197,349	-	197,349
Rental and occupancy charges	87,734	872,011	959,745	-	959,745
General and administrative expenses	-	-	-	1,466,390	1,466,390
Contractual services	21,584,850	6,335,085	27,919,935	-	27,919,935
Cost of goods sold	-	-	-	28,674,846	28,674,846
Final development and postclosure costs	200,088	-	200,088	-	200,088
Other	8,868	249,573	258,441	-	258,441
TOTAL OPERATING EXPENSES	25,748,608	25,620,002	51,368,610	37,603,931	88,972,541
OPERATING INCOME (LOSS)	(1,377,453)	274,951	(1,102,502)	5,171,770	4,069,268
NON-OPERATING REVENUES (EXPENSES):					
Sales tax	5,574,517	-	5,574,517	-	5,574,517
Intergovernmental	-	133,073	133,073	-	133,073
Interest income	402,574	198,360	600,934	281,290	882,224
Interest expense	(1,075,122)	(53,385)	(1,128,507)	-	(1,128,507)
Net gain on sale of fixed assets	13,885	80,302	94,187	11,213,781	11,307,968
Amortization of refunding amount	(100,325)	-	(100,325)	-	(100,325)
Alcohol education / rehabilitation	-	-	-	(1,901,338)	(1,901,338)
Distribution to other governments	-	-	-	(2,100,000)	(2,100,000)
TOTAL NON-OPERATING REVENUES (EXPENSES)	4,815,529	358,350	5,173,879	7,493,733	12,667,612
INCOME BEFORE TRANSFERS	3,438,076	633,301	4,071,377	12,665,503	16,736,880
TRANSFERS:					
Transfers from General Fund	-	113,972	113,972	-	113,972
Transfers to Capital Reserve Fund	-	(455,543)	(455,543)	-	(455,543)
Transfers to primary government	-	-	-	(1,900,000)	(1,900,000)
TOTAL TRANSFERS	-	(341,571)	(341,571)	(1,900,000)	(2,241,571)
NET INCOME	3,438,076	291,730	3,729,806	10,765,503	14,495,309
RETAINED EARNINGS (DEFICIT) - BEGINNING OF FISCAL YEAR AS PREVIOUSLY STATED	(5,277,434)	9,020,766	3,743,332	11,109,462	14,852,794
RECLASSIFICATION	466,083	-	466,083	-	466,083
RETAINED EARNINGS (DEFICIT) - BEGINNING OF FISCAL YEAR AS RESTATED	(4,811,351)	9,020,766	4,209,415	11,109,462	15,318,877
RESIDUAL EQUITY TRANSFER	-	(1,000,000)	(1,000,000)	-	(1,000,000)
RETAINED EARNINGS (DEFICIT) - END OF FISCAL YEAR	<u>\$ (1,373,275)</u>	<u>\$ 8,312,496</u>	<u>\$ 6,939,221</u>	<u>\$ 21,874,965</u>	<u>\$ 28,814,186</u>

See accompanying notes to the combined financial statements.

MECKLENBURG COUNTY, NORTH CAROLINA
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNIT
FOR THE YEAR ENDED JUNE 30, 2000

	Proprietary Fund Types		Totals Primary Government (Memorandum Only)	Component Unit Mecklenburg County Alcoholic Beverage Control Board	Totals Reporting Entity (Memorandum Only)
	Enterprise	Internal Service			
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from users	\$ 23,575,267	\$ 25,738,478	\$ 49,313,745	\$ 56,025,434	\$ 105,339,179
Cash paid to suppliers	(22,218,808)	(13,532,898)	(35,751,706)	(45,328,115)	(81,079,821)
Cash paid to employees	(2,440,244)	(10,067,867)	(12,508,111)	(4,553,931)	(17,062,042)
Net cash provided (used) by operating activities	(1,083,785)	2,137,713	1,053,928	6,143,388	7,197,316
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Sales tax	4,180,888	-	4,180,888	-	4,180,888
Cash received from governments	-	133,073	133,073	-	133,073
Transfers	-	(341,571)	(341,571)	-	(341,571)
Distributions to other governments	-	-	-	(2,100,000)	(2,100,000)
Transfers to primary government	-	-	-	(1,900,000)	(1,900,000)
Alcohol education / rehabilitation	-	-	-	(1,901,338)	(1,901,338)
Net cash provided (used) by noncapital financing activities	4,180,888	(208,498)	3,972,390	(5,901,338)	(1,928,948)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Principal payments-capital leases	-	(986,321)	(986,321)	-	(986,321)
Principal payments-bonds	(2,193,234)	-	(2,193,234)	-	(2,193,234)
Interest paid	(1,075,122)	(53,385)	(1,128,507)	-	(1,128,507)
Proceeds from sale of fixed assets	13,885	169,868	183,753	11,692,822	11,876,575
Acquisition of fixed assets	(3,311,361)	(3,295,272)	(6,606,633)	(6,363,492)	(12,970,125)
Residual equity transfers	-	(1,000,000)	(1,000,000)	-	(1,000,000)
Net cash provided (used) by capital and related financing activities	(6,565,832)	(5,165,110)	(11,730,942)	5,329,330	(6,401,612)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest received	372,188	222,834	595,022	281,287	876,309
NET INCREASE (DECREASE) IN CASH AND INVESTMENTS	(3,096,541)	(3,013,061)	(6,109,602)	5,852,667	(256,935)
CASH AND INVESTMENTS - BEGINNING OF FISCAL YEAR	14,497,888	7,029,057	21,526,945	3,915,697	25,442,642
CASH AND INVESTMENTS - END OF FISCAL YEAR	<u>\$ 11,401,347</u>	<u>\$ 4,015,996</u>	<u>\$ 15,417,343</u>	<u>\$ 9,768,364</u>	<u>\$ 25,185,707</u>

Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities

Operating Income (Loss)	\$ (1,377,453)	\$ 274,951	\$ (1,102,502)	\$ 5,171,770	\$ 4,069,268
Adjustments:					
Depreciation	662,649	2,389,208	3,051,857	489,449	3,541,306
(Increase) decrease - accounts receivable	(795,888)	(156,475)	(952,363)	138,271	(814,092)
Increase (decrease) - inventory	-	9,491	9,491	(526,065)	(516,574)
Increase (decrease) - accounts payable	114,756	(427,179)	(312,423)	869,963	557,540
Increase - landfill final development and postclosure costs	200,088	-	200,088	-	200,088
Increase - accrued vacation and sick leave	112,063	47,717	159,780	-	159,780
Net cash provided (used) by operating activities	<u>\$ (1,083,785)</u>	<u>\$ 2,137,713</u>	<u>\$ 1,053,928</u>	<u>\$ 6,143,388</u>	<u>\$ 7,197,316</u>

Contributions from General Fixed Assets		
Account Group	\$ 157,796	\$ 213,071
Amortization of refunding amount	100,325	-
Acquisition of fixed assets by incurrence of accounts payable	92,143	-
Borrowing for capital leases	872,129	

See accompanying notes to the combined financial statements.

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MECKLENBURG COUNTY, NORTH CAROLINA
NOTES TO THE COMBINED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2000

1. Summary of Significant Accounting Policies

(a) Reporting Entity

Mecklenburg County, North Carolina (the County) was created from a portion of Anson County on December 11, 1762. The County has a county manager form of government with a nine-member, elected Board of Commissioners comprising the governing body. The County provides the following services which are segregated into core businesses in the financial statements: Policy Development and Management Support Services, Corporate Support Services, Regulatory and Operational Services, Community Services, Public Safety and Court Support Services, Health and Human Services and Government Relations. Individual departments included in these core businesses are shown on the Organization Chart on page xvii. As required by generally accepted accounting principles (GAAP), these financial statements present all the fund types and its component units. Discretely presented component units are reported in separate columns in the combined financial statements to emphasize they are legally separate from the County.

Discretely Presented Component Units

The Public Library of Charlotte and Mecklenburg County (Library) is a public library formed in 1902 by an act of the General Assembly of North Carolina. Six of the seven members of the Library Board of Trustees are appointed by the County and one is appointed by the Charlotte-Mecklenburg Board of Education. The County has budgetary approval over its annual allocation to the Library for current operating purposes. The Library is not empowered to issue long-term debt; therefore, capital assets of the Library are financed principally by general obligation bonds issued at the option of the County. There is no obligation on the County to issue debt for the Library. The Library is presented as a governmental fund type.

The Mecklenburg County Alcoholic Beverage Control Board (ABC Board) operates retail liquor stores and investigates violations of North Carolina Alcoholic Beverage Control laws. The ABC Board consists of five members appointed by the Board of County Commissioners and is required by State statute to distribute a portion of its surpluses to the General Fund of the County. The ABC Board is presented as a proprietary fund type.

The Mecklenburg Emergency Medical Services Agency (Medic Agency) was created by a joint agreement dated September 11, 1996, between Mecklenburg County and the Charlotte-Mecklenburg Hospital Authority pursuant to North Carolina General Statute 160A-462 as a separate unit of government for the purpose of providing emergency medical services in the County. The Medic Agency began operations on October 8, 1996. The Medic Agency is governed by a seven-member Board of Commissioners appointed by the County Board of Commissioners, three of whom are recommended by Carolinas HealthCare System, three by Presbyterian Healthcare and one by the County. The County has budgetary approval over its annual allocation to the Medic Agency for current operating purposes. The Medic Agency is presented as a governmental fund type.

Complete financial statements for the individual component units may be obtained at the following addresses:

Public Library of Charlotte and Mecklenburg County
310 N. Tryon Street
Charlotte, North Carolina 28202

Mecklenburg County Alcoholic Beverage Control Board
400 E. 2nd Street
Charlotte, North Carolina 28202

Mecklenburg Emergency Medical Services Agency
4525 Statesville Road
Charlotte, North Carolina 28269

(b) Basis of Presentation - Fund Accounting

The accounts of the County are organized on the basis of funds and account groups, each of which constitutes a separate accounting entity. The operations of each fund are accounted for in separate, self-balancing accounts reflecting its assets, liabilities, fund balance/retained earnings, revenues and expenditures/expenses. The various

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(CONTINUED)
MECKLENBURG COUNTY, NORTH CAROLINA
NOTES TO THE COMBINED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2000

funds are the result of the diverse nature of the County's operations and compliance with legal provisions. These funds have been grouped by type to facilitate understanding of the financial statements. Governmental Funds are those through which most governmental functions of the County are financed. The acquisition, use and balances of the County's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus for governmental funds and expendable trust funds is upon determination of changes in financial position, rather than upon net income. Proprietary Funds are accounted for using the accrual basis of accounting. Their revenues are recognized when earned, and their expenses are recognized when incurred. The measurement focus is upon determination of net income. Fiduciary Funds account for assets held by the County as agent or trustee for individuals, private organizations, other governmental units and/or other funds. Account groups establish accounting control and accountability for the County's general fixed assets and the unmatured principal of its long-term debt. The County uses the following funds and account groups:

GOVERNMENTAL FUNDS

General Fund - The General Fund is the general operating fund of the County and accounts for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds account for the proceeds of specific revenue sources (other than special assessments, expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

Capital Projects Funds - Capital Projects Funds account for financial resources to be used for the acquisition or major capital facilities (other than those financed by the Proprietary Funds).

PROPRIETARY FUNDS

Enterprise Funds - Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises where the determination of net income is necessary or useful for sound financial administration and where the costs of providing such services are typically recovered to a varying extent through user charges.

Internal Service Funds - Internal Service Funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the County, or to other governments, on a cost-reimbursement basis.

FIDUCIARY FUNDS

Agency Funds - Agency Funds account for assets held by the County as agent for individuals, private organizations, other governmental units, and/or other funds. These funds are custodial in nature and do not involve measurement of operating results.

Expendable Trust Funds - The County's Expendable Trust Funds account for transfers from the General Fund, contributions from individuals and organizations, and proceeds from the State.

ACCOUNT GROUPS

General Fixed Assets Account Group - The General Fixed Assets Group accounts for all fixed assets used in governmental fund type operations.

General Long-Term Debt Account Group - The General Long-Term Debt Group accounts for long-term liabilities expected to be financed from governmental funds.

(c) Basis of Accounting

The County, Library and Medic Agency follow the modified accrual basis of accounting for all governmental, agency and expendable trust funds in accordance with North Carolina General Statutes. Under this method, revenues are

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(CONTINUED)
MECKLENBURG COUNTY, NORTH CAROLINA
NOTES TO THE COMBINED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2000

recognized as the amount becomes susceptible to accrual by becoming measurable and available to finance the County's operations. Available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on long-term debt, which is recognized when due, and accrued vacation and sick leave, which is recorded in the General Long-Term Debt Account Group.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, funds must be disbursed for a specific purpose or project before any amount will be reimbursed to the County; therefore, revenues are recognized as receivable based upon the expenditures recorded. In the other, moneys are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to meet prescribed compliance requirements. These resources are reflected at the time of receipt or earlier if the susceptible to accrual criteria are met. Other revenues which are susceptible to accrual are sales taxes, collected and held by the State at year-end on behalf of the County, and investment earnings. Licenses and permits, charges for services, and other revenues are recorded as revenues when received in cash because they are generally not measurable until actually received. For Proprietary Fund types, the County and ABC Board follow the accrual basis of accounting, under which revenues are recognized when earned and measurable and expenses are recognized when incurred, if measurable. The County has elected to apply only applicable Financial Accounting Standards Board Statements and Interpretations issued before November 30, 1989, in its Proprietary Operations. See Note 1 (i) for compensated absences policies and Note 2 for property tax accrual policies.

(d) Budgetary Control

As required by the North Carolina Budget and Fiscal Control Act (North Carolina General Statute 159), the County adopts, on a basis consistent with generally accepted accounting principles, an annual balanced budget ordinance for all funds except those authorized by project ordinance, Internal Service Funds and Trust and Agency Funds. The budget ordinance is balanced when the sum of estimated net revenues and appropriated fund balance is equal to appropriations. The appropriations in the various funds are budgeted at the line item level and most are controlled at the category level. Combined Statement A-3 presents annual budgeted and actual amounts for the required funds. The One-Half Cent Sales Tax Special Revenue Fund and Capital Projects Funds are budgeted by project ordinances. The annual budget, which is prepared on the modified accrual basis of accounting as required by the statutes, has been amended during the fiscal year by the Board of County Commissioners and the effect of such amendments is as follows:

	<u>Original Budget</u>	<u>Total Amendments</u>	<u>Budget June 30, 2000</u>
General Fund	\$799,900,065	\$29,458,696	\$829,358,761
Special Revenue Fund Types	34,610,153	4,261,899	38,872,052
Storm Water Special Revenue Fund	7,308,801	11,719,535	19,028,336
Enterprise Fund	<u>28,440,275</u>	<u>450,000</u>	<u>28,890,275</u>
TOTAL	<u>\$870,259,294</u>	<u>\$45,890,130</u>	<u>\$916,149,424</u>

Following is a reconciliation of Special Revenue Funds with annually adopted budgets and Special Revenue Funds with a project length budget:

Special Revenue Funds - Annually Budgeted Funds	
Excess of revenues and other financing sources over expenditures and other financing uses	\$11,815,361
Special Revenue - Project Budgeted Funds	
Excess of revenues and other financing sources over expenditures	<u>139,383</u>
Total	<u>\$11,954,744</u>

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(CONTINUED)
MECKLENBURG COUNTY, NORTH CAROLINA
NOTES TO THE COMBINED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2000

The budget amounts reflected in A-3 represent the amended budget as of June 30, 2000. Capital lease amounts are approved by the Board of County Commissioners as needed. The amount budgeted annually is the debt service for the current fiscal year. The County Manager is authorized to transfer budgeted amounts within any fund; however, any revisions that alter the total budget of any fund must be approved by the Board of Commissioners. Except for the One-Half Cent Sales Tax Special Revenue Fund, Capital Projects Funds and certain continuing grants, any remaining annual appropriations lapse at each fiscal year-end. Concurrent with adoption of the annual budget ordinance and in accordance with North Carolina General Statute 159, the County approves a balanced financial plan for the Internal Service Funds. A financial plan is balanced when estimated expenses equal estimated revenues. Any change in the financial plan during the year is approved by the Board of County Commissioners in accordance with North Carolina General Statute 159.

Appropriated budgets are adopted for all Library funds as required by the State. The budgets are approved by the Library's Board of Trustees, and any changes in the budgets must also be approved by the Board of Trustees. Expenditures may not legally exceed appropriations unless approved by the Board of Trustees. The level of budgetary control is by department for County funds and by activity for all other funds.

(e) Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental funds. At year-end, open encumbrances are reported as reservations of fund balances since those commitments are accommodated through carry forward appropriations. Encumbrances do not constitute expenditures or liabilities.

(f) Cash and Investments

A cash and investment pool is maintained and used for all available funds except funds held by others. A portion of the County's self-insurance funds in the amount of \$4,936,006 is held in one or more trusts administered by the City of Charlotte's Risk Management Division, \$24,761,802, proceeds from certificates of participation, is held by a trustee, and \$4,726,871, proceeds from an equipment financing, is held by an escrow agent.

Deposits

The deposits of the County are governed by North Carolina General Statute 159. The County may establish official depositories with any bank or trust company or any savings and loan institution located in North Carolina or with a national bank located in another state with written permission of the Local Government Commission, a Division of the State Treasurer's Office. The County may also establish time deposits in the form of NOW accounts, SUPERNOW and money market accounts and certificates of deposit. Primary banking services for the County are provided through a two-year contract currently with First Citizens Bank of North Carolina. All moneys are deposited in an interest-bearing depository checking account. At year-end, the cash balance of the County's deposits was \$34,421,900 and the bank balance was \$43,726,659. Included in these amounts is a money market account in the amount of \$36,190,062 with First Union National Bank. Also included are \$2,940,170 in certificates of deposit which includes a non-interest bearing two-year certificate of deposit in the amount of \$2,869,900 with First Citizens Bank of North Carolina. The funds are held as a compensating balance in lieu of service charges.

County deposits are maintained with financial institutions which collateralize excess deposits by a method which allows securing uninsured deposits through the pooling of collateral method established by the depository with the State Treasurer for the benefit of the State and the local participating units permitted under North Carolina Administrative Code, Title 20, Chapter 7. Each depository establishes an escrow account in the name of the State Treasurer to secure all of its public deposits. This option shifts monitoring responsibility from the local unit to the State Treasurer. Depositories using the pooling method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County or the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer enforces strict standards of financial stability for each depository. Of the bank balance, \$370,270 was covered by federal depository insurance and \$43,356,389 was covered by collateral.

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MECKLENBURG COUNTY, NORTH CAROLINA
NOTES TO THE COMBINED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2000

North Carolina General Statute 159 also governs the deposits of the Library, ABC Board and the Medic Agency. The Medic Agency collateralizes excess deposits by the pooling of collateral method. Deposits of the Library and ABC Board are either insured or collateralized by using one of two methods. Under the dedicated method, all deposits over the federal depository insurance coverage are collateralized with securities held by the Library's or ABC Board's agent in their name, or the pooling method. At June 30, 2000, the carrying amount of the Library's bank deposits was \$1,008,638 and the bank balance was \$1,571,405, of which \$473,696 was covered by federal depository insurance, \$709,927 was covered by collateral held under the dedicated method and \$387,782 was covered by the pooling method. Investments of \$345,087 consist of two certificates of deposit having original maturities of one and six months with interest rates of 4.40% and 6.11%, respectively. These certificates of deposit are held by the Library for which the carrying value approximates market value. At June 30, 2000, the carrying amount of the ABC Board's bank deposits was \$9,394,614 and the bank balance was \$10,944,855. Of the bank balance at June 30, 2000, \$130,401 was covered by federal depository insurance and the remaining \$10,814,454 was covered by collateral under the pooling method. The ABC Board maintains a \$373,750 non-interest bearing 24-month certificate of deposit with First Citizens Bank of North Carolina. The funds are held as a compensating balance in lieu of service charges. At June 30, 2000, the Medic Agency's deposits had a carrying value of \$169,598 and a bank balance of \$1,569,046 of which \$151,767 was covered by federal depository insurance and \$1,417,279 was covered by collateral.

Investments

North Carolina General Statute 159 authorizes the County to invest in obligations of the U. S. Treasury; obligations of any agency of the United States of America, provided the payment of principal and interest of such obligations is fully guaranteed by the United States; obligations of certain quasi-federal agencies; commercial paper bearing the highest credit rating available; bankers' acceptances of accepting banks or holding companies either (i) incorporated in the State of North Carolina or (ii) having the highest available long-term debt rating; and the North Carolina Capital Management Trust, a SEC registered (2a-7) money market mutual fund.

Investments are categorized to give an indication of the level of risk assumed by the entity at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the County or Medic Agency or its agent in the County or Medic Agency's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counter party's trust department or agent in the County's or Medic Agency's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counter party, or by its trust department or agent but not in the County's or Medic Agency's name. All the County's investments are Category 1 and all the Medic Agency's investments are Category 2. The North Carolina Capital Management Trust is exempt from risk categorization because a third-party custodian takes delivery of investment securities and neither the County nor the Medic Agency own identifiable securities, but are shareholders of the fund.

As of June 30, 2000, investments outstanding for the County were as follows:

<u>Types of Investments</u>	<u>Category 1</u>	<u>Reported Value</u>	<u>Fair Value</u>
U.S. Treasuries	\$ 12,952,734	\$ 12,952,734	\$ 12,962,500
U.S. Government Agencies	277,834,928	277,834,928	277,558,416
Bankers' Acceptances	4,852,125	4,852,125	4,990,833
Commercial Paper	<u>9,624,874</u>	<u>9,624,874</u>	<u>9,845,922</u>
	<u>\$305,264,661</u>	305,264,661	305,357,671
N.C. Capital Management Trust		<u>42,177,652</u>	<u>42,177,652</u>
TOTAL		<u>\$347,442,313</u>	<u>\$347,535,323</u>

All securities owned by the County at June 30, 2000, were in a segregated safekeeping account in the County's name in the Trust Department of First Citizens Bank of North Carolina. In accordance with State law, the County invests in callable securities and the first call date is July 1, 2000. These investments are stated at fair value on the County's financial statements.

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MECKLENBURG COUNTY, NORTH CAROLINA
NOTES TO THE COMBINED FINANCIAL STATEMENTS
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As of June 30, 2000, the Medic Agency's investments outstanding were as follows:

<u>Types of Investments</u>	<u>Category 2</u>	<u>Reported Value</u>	<u>Fair Value</u>
U.S. Government Securities	<u>\$200,000</u>	\$ 200,000	\$ 200,000
N.C. Capital Management Trust		<u>2,684,002</u>	<u>2,684,002</u>
TOTAL		<u>\$2,884,002</u>	<u>\$2,884,002</u>

All County and Medic Agency investments are carried at fair value as determined by quoted market prices. The N.C. Capital Management Trust cash portfolio's securities are valued at fair value, which is their share price.

During 2000, the County realized no gains or losses from the sale of investments. The calculation of realized gains is independent of the calculation of the net increase in the fair value of investments. Realized gains and losses on investments that had been held in more than one fiscal year and sold in the current year may have been recognized as an increase or decrease in the fair value of the investments reported in the prior year. The net increase in the fair value of investments during 2000 for the County was \$509,746. This amount takes into account all changes in fair value (including purchases and sales) that occurred during the year. The unrealized loss on investments held at year-end for the County was \$425,421.

Interest is recorded when earned and is distributed to each fund based on the fund's proportionate equity in pooled cash and investments, except that interest on investments of the Capital Projects Funds is distributed to the General Fund for debt service.

(g) Inventory

Inventory is valued at the lower of cost (first-in, first-out) or market and consists of expendable supplies. The cost of individual inventory items is expensed at the time of purchase. At the end of each fiscal year, inventory and applicable expense accounts are adjusted to reflect actual inventory on hand.

The ABC Board merchandise inventory is valued at replacement cost which approximates the lower of first-in, first-out cost or market. Maintenance, office and operating supplies, except paper bags, are expensed when purchased.

(h) Fixed Assets

General fixed assets have been acquired for general governmental purposes. Assets purchased are recorded at historical cost as expenditures of the various governmental funds and capitalized at cost in the General Fixed Assets Account Group. Contributed fixed assets are recorded as General Fixed Assets at estimated fair market value at the time received. The County does not own public domain (infrastructure) fixed assets consisting of improvements such as curbs, gutters, streets, sidewalks, drainage systems, and lighting systems; consequently, no such items have been capitalized by the County. No depreciation has been provided on general fixed assets, nor has interest been capitalized.

Fixed assets owned by the Proprietary Fund Types are recorded at cost or, for donated fixed assets, at estimated fair market value on the date donated. Depreciation is provided over the estimated useful life using the straight-line method.

For the ABC Board, leasehold improvements are amortized over the term of the applicable lease. Upon disposal, the cost of an asset and the related accumulated depreciation are removed from the books. Any gain or loss on disposition is reflected in income upon disposal. Maintenance and repairs are expensed as incurred.

Estimated useful lives for the County and ABC Board are as follows:

Buildings and Improvements	10 - 45 years
Office Equipment	3 - 10 years
Radios	7 years
Vehicles	1.5 - 7 years

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MECKLENBURG COUNTY, NORTH CAROLINA
NOTES TO THE COMBINED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2000

(i) Compensated Absences

For the County, Library and Medic Agency, the maximum amount of vacation that can be transferred to the next calendar year is 240 hours. Accrued vacation beyond the maximum will be converted to sick leave as of the last pay period ending on or before December 31 each year. Vacation leave is earned based on years of service and is fully vested when earned. All unused accumulated vacation up to 240 hours will be paid upon termination. The County, Library and Medic Agency sick leave policies allow regular employees to accumulate an unlimited amount of sick leave. One-fourth of the unused accumulated sick leave, which is fully vested when earned, is paid upon termination, with the balance in the case of retirement being used in the determination of length of service for retirement benefits.

The compensation cost for vacation and sick leave is provided on a current basis in annual budgets. Therefore, there is no accrued vacation and sick leave that would be liquidated with expendable available financial resources. Consequently, all accumulated vacation and sick leave relating to governmental funds are recorded in the General Long-Term Debt Account Group.

ABC Board employees may accumulate a maximum of 40 days earned vacation based on years of service and such leave is fully vested when earned. Accumulated earned vacation at June 30, 2000 and 1999 amounted to \$271,973 and \$245,868, respectively. Employees can accumulate an unlimited amount of sick leave. Sick leave may be used in the determination of length of service for retirement benefit purposes. Since the ABC Board has no obligation for accumulated sick leave until it is actually taken, or until an individual retires or dies, no accrual for sick leave has been made. The liability is considered to be immaterial at June 30, 2000 and 1999.

(j) Long-Term Obligations

Long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the General Long-Term Debt Account Group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

(k) Fund Balances

Fund balances are segregated into the following classifications:

- ! Reserved for encumbrances - This represents commitments outstanding at fiscal year-end resulting from purchase orders and contracts.
- ! Reserved by State statute - This represents the amount of fund balance which cannot be appropriated by the governing board. North Carolina General Statute 159 limits the amount that each local government may commit for purposes of future expenditures to an amount not to exceed the sum of cash and investments, less the sum of liabilities, encumbrances and deferred revenues arising from cash receipts as these amounts stand at the close of the fiscal year preceding the budget year.
- ! Designated for policy development and management support services - This represents amounts approved by the Board of Commissioners which are restricted to expenditures for policy development and management support services.
- ! Designated for regulatory and operational services - This represents amounts approved by the Board of Commissioners which are restricted to expenditures for regulatory and operational services.
- ! Designated for community services - This represents amounts approved by the Board of Commissioners which are restricted to expenditures for community services.
- ! Designated for public safety and court support services - This represents amounts approved by the Board of Commissioners which are restricted to expenditures for public safety and court support services.

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MECKLENBURG COUNTY, NORTH CAROLINA
NOTES TO THE COMBINED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2000

- ! Designated for health and human services - This represents amounts approved by the Board of Commissioners which are restricted to expenditures for health and human services.
- ! Designated for government relations - This represents amounts approved by the Board of County Commissioners which are restricted to expenditures for government relations.
- ! Designated for capital projects - This represents proceeds of bond sales and amounts accumulated in accordance with North Carolina General Statutes, which are restricted to expenditures for capital items.
- ! Designated for self-insurance - This represents amounts that are restricted to expenditures for self-insurance.
- ! Designated for subsequent years' expenditures - This represents the amount of fund balance appropriated by the Board of County Commissioners for subsequent years, the amount of fund balance which exceeds 8% of the subsequent fiscal year budget which is available for future years' appropriations, and the amount representing the County portion of unexpended grant programs.
- ! Undesignated - This represents the amount of fund balance available for future appropriations.

(l) Restricted Assets

The unexpended bond proceeds of general obligation bonds issued for solid waste facilities are classified as restricted assets for the Enterprise Fund because their use is restricted to that purpose.

(m) School Facilities Finance Act of 1987

The School Facilities Finance Act of 1987 (Act) was enacted by the North Carolina General Assembly to assist county governments in meeting their public school facility capital needs. The Act created two State-funded programs for the construction and renewal of school facilities: the Public School Building Capital Fund administered by the Office of State Budget and Management and the Critical School Facilities Needs Fund administered by the State Board of Education. Mecklenburg County is not eligible to receive funds from the Critical School Facilities Needs Fund. The Public School Building Capital Fund may also be used to finance equipment needs under the local school unit's technology plan.

The Public School Building Capital Fund (the Fund) is funded by a portion of the corporate income taxes which is imposed on corporations doing business in the State. Each calendar quarter, the Department of Revenue shall remit to the State Treasurer for credit in the fund, an amount equal to the applicable fraction provided by the following table of the net collections of corporate income taxes received during the previous quarter minus \$2.5 million, which it deposits into the Critical School Facilities Needs Fund.

<u>Period</u>	<u>Fraction</u>
10/1/98 to 9/30/99	Two twenty-ninths
10/1/99 to 9/30/00	One fourteenth
After 9/30/00	Five sixty-ninths

Moneys in the fund are allocated to Mecklenburg County based on its average daily membership (ADM) compared to other counties in North Carolina as determined and certified by the State Board of Education. The Office of State Budget and Management establishes and maintains an ADM allocation account for the County. At June 30, 2000, the balance of the County's ADM allocation account was \$4,808,258.

After approving a school capital project authorized by the Act, the Office of State Budget and Management transfers funds from the County's ADM allocation account to its disbursing account maintained with the State Treasurer. Funds in the allocation and disbursing accounts are considered State moneys until the County issues warrants to disburse them. At that time, they are recognized in the County's capital project for school projects as intergovernmental revenue. At June 30, 2000, the County's disbursing account had a balance of \$7,231,972 for which the total project authorizations were \$47,588,337. The County has matched the project authorization amount on the basis of one dollar for every three dollars of State funds. The local school technology plan does not require a County match.

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MECKLENBURG COUNTY, NORTH CAROLINA
NOTES TO THE COMBINED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2000

(n) Public School Building Bond Act of 1996

The General Assembly passed the Public School Building Bond Act of 1996 to provide for the issuance of \$1.8 billion in State bonds to be used for making grants to counties for qualified public school capital outlay projects. The Department of Public Instruction is responsible for project approval and the distribution of funds. The principal amounts of bonds or notes issued by the State in any twelve-month period may not exceed \$450 million.

Of the total \$1.8 billion authorized, \$30 million will be allocated as grants to counties that have small county school systems, after considering whether the counties demonstrate both greater than average school construction needs and high property tax rates. The primary allocation of \$1.77 billion will be distributed to all counties based on the average daily membership, the ability to pay, and the growth rate of the school administrative units located within each County. The total County allocation is \$119,830,058.

The distribution of the primary allocation is subject to the satisfaction of certain match requirements by the counties. Match requirements may be satisfied by non-State expenditures for public school facilities made on or after January 1, 1992. The County's matching requirement of \$.50 for each dollar of allocated bond proceeds has been fulfilled.

Because the County has met its matching requirement, the County recognizes revenues equal to the liabilities incurred for approved project expenditures. The County requests bond funds by project as expenditures are made. During fiscal year 1999-2000, the County expended \$32,776,720 and received \$36,042,691 in revenue.

(o) Benefit Payments Issued by the State

The following amounts were paid by the State on behalf of the County directly to individual recipients. Mecklenburg County personnel are involved with certain functions, primarily eligibility determinations that cause benefit payments to be issued by the State. These amounts, which disclose additional aid to County recipients, do not appear in the general purpose financial statements because they are not revenues and expenditures of the County:

	<u>2000</u>
Medicaid	\$255,671,876
Temporary Assistance to Needy Families	12,592,895
Domiciliary Care	2,709,756
Aid to the Blind	139,066
Adoption Assistance	<u>1,171,599</u>
TOTAL	<u>\$272,285,192</u>

(p) Deferred Revenues

Revenues that are measurable but not available are initially recorded as deferred revenues. In addition, revenues collected in advance of the fiscal year to which they apply are also recorded as deferred revenues. The balances in deferred revenues at June 30, 2000 are composed of the following:

	<u>General</u>	<u>Special Revenue</u>	<u>Totals</u>
Taxes receivable (net)	\$16,692,822	\$196,604	\$16,889,426
Prepaid taxes not yet earned	1,127,465	-	1,127,465
Grants	1,407,337	-	1,407,337
Deferred assessments	12,361	-	12,361
Deferred improvement loans	<u>-</u>	<u>8,077</u>	<u>8,077</u>
TOTAL	<u>\$19,239,985</u>	<u>\$204,681</u>	<u>\$19,444,666</u>

For the Medic Agency, the balances in deferred revenues at June 30, 2000, are composed of gross ambulance billings for services performed prior to June 30, 2000, that were not collected within 60 days after the period end.

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MECKLENBURG COUNTY, NORTH CAROLINA
NOTES TO THE COMBINED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2000

(q) Reclassifications/Restatements

A Special Revenue – Capital Reserve has been reclassified to the Solid Waste Enterprise Fund; therefore, beginning balances have been restated in the Special Revenue and Enterprise Funds. Certain other amounts presented in prior year data have been reclassified to be consistent with the current year's presentation.

(r) Totals (Memorandum Only)

The total data are the aggregate of the fund types and account groups and are presented only to facilitate financial analysis. These data do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. No consolidating or other eliminations were made in arriving at the totals; thus, they do not represent consolidated information.

(s) Deficit Fund Balance/Retained Earnings

The Solid Waste Enterprise Fund has a deficit retained earnings of \$1,373,275 as a result of writing down the value of the University City Resource Recovery Facility in fiscal year 1995-96. This deficit will be funded over several years through revenues from the sale of property and other appropriations.

(t) Statement of Cash Flows

All cash and investments of the proprietary funds are held in a Countywide cash and investment pool. Funds are available on demand from the pool. Accordingly, all cash and investments are considered cash and cash equivalents in the statement of cash flows.

2. Property Tax

The County's property tax levied effective for fiscal year 1999-2000, was based on the assessed values listed as of January 1, 1999, for real property, boats, trailers and income-producing personal property and vehicles as described below in this Note. Such assessed values were based upon current estimated market values for personal property and, for real property, estimated market values as of January 1, 1999. The property tax rate for the 2000 fiscal year was \$.73 per \$100 valuation. A revaluation of all real property is required to be performed at least every eight years. North Carolina General Statutes require that each County make annual appropriations to accumulate the moneys estimated to be required for such purpose. The County has a continuous program of reappraisal and County officials consider that the County has complied with the purpose of the statutes.

In accordance with State law, the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due September 1, the lien date; however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 1999.

The County considers all revenues available if they are collected within 60 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year.

Also, as of January 1, 1993, State law altered procedures for the assessment and collection of property taxes on registered motor vehicles. Effective with this change, the County is responsible for billing and collecting property taxes on all registered motor vehicles on behalf of all municipalities and special tax districts in the County. For those motor vehicles registered under the staggered system and for vehicles newly-registered under the annual system, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, taxes for vehicles registered from March 1999 through February 2000 apply to the fiscal year ended June 30, 2000. Uncollected taxes which were billed during this period are shown as a receivable on these financial statements. For motor vehicles which are renewed and billed under the annual system, taxes are due on May 1 of each year and the uncollected taxes are reported as a receivable on the financial statements offset by deferred revenues because the due date and the date upon which the interest begins to accrue passed prior to June 30. The taxes for renewal vehicles registered annually that have already been collected as of year-end are also reflected as deferred revenues at June 30, 2000 because they are intended to finance the County's operations during the 2001 fiscal year.

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MECKLENBURG COUNTY, NORTH CAROLINA
NOTES TO THE COMBINED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2000

3. Taxes Collected for Municipalities

The County acts as agent for billing and collecting certain property tax levies for all municipalities in the County. Such amounts are accounted for in the Agency Funds. The County also collects room occupancy taxes, a portion of which is distributed to the City of Charlotte and Towns of Cornelius, Davidson, Huntersville, Matthews and Pineville, and Food and Beverage taxes which are distributed to the City of Charlotte. These amounts are accounted for in the Agency Funds, Municipalities Taxes and Food and Beverage Tax.

4. Fixed Assets

A summary of changes in general fixed assets follows:

	General Fixed Assets July 1, 1999	Additions	Deletions	Transfers To	Transfers From	General Fixed Assets June 30, 2000
GENERAL FIXED ASSETS						
Land and Improvements	\$122,193,839	\$15,042,456	\$ (1,296)	\$ -	\$ -	\$137,234,999
Buildings and Improvements	268,761,513	5,443,048	-	-	-	274,204,561
Vehicles and Heavy Equipment	2,289,554	375,954	-	-	-	2,665,508
Furniture, Machinery and Equipment	15,787,695	1,131,356	(1,238,043)	122,449	(122,449)	15,681,008
Construction-in-progress	12,062,470	25,266,525	(72,810)	-	-	37,256,185
TOTAL GENERAL FIXED ASSETS	\$421,095,071	\$47,259,339	\$(1,312,149)	\$122,449	\$(122,449)	\$467,042,261
CORE BUSINESS						
Policy Development and Support Services	\$ 205,708	\$ 9,090	\$ (22,764)	\$60,782	\$(12,407)	\$ 240,409
Corporate Support Services	44,611,733	2,435,652	(104,763)	24,600	(44,508)	46,922,714
Regulatory and Operational Services	8,703,309	231,867	(14,717)	8,355	-	8,928,814
Community Services	139,839,748	17,206,750	(834,105)	6,175	(6,175)	156,212,393
Public Safety and Court Support Services	180,801,335	1,446,323	(103,990)	22,537	(25,968)	182,140,237
Health and Human Services	34,824,970	663,132	(159,000)	-	(33,391)	35,295,711
Government Relations	45,798	-	-	-	-	45,798
Construction-in-progress	12,062,470	25,266,525	(72,810)	-	-	37,256,185
TOTAL GENERAL FIXED ASSETS	\$421,095,071	\$47,259,339	\$(1,312,149)	\$122,449	\$(122,449)	\$467,042,261

A summary of the Proprietary Fund Types fixed assets at June 30, 2000, follows:

	Enterprise	Internal Service	Total
Land and Improvements	\$27,768,360	\$ 211,197	\$27,979,557
Buildings and Improvements	6,451,256	3,235,831	9,687,087
Vehicles and Heavy Equipment	3,264,443	15,518,016	18,782,459
Furniture, Machinery and Equipment	430,415	13,014,258	13,444,673
Construction-in-progress	1,844,460	-	1,844,460
TOTAL	39,758,934	31,979,302	71,738,236
Less: Accumulated Depreciation	<u>(3,882,243)</u>	<u>(18,680,785)</u>	<u>(22,563,028)</u>
FIXED ASSETS, NET	\$35,876,691	\$13,298,517	\$49,175,208

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MECKLENBURG COUNTY, NORTH CAROLINA
NOTES TO THE COMBINED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2000

For the ABC Board, the components of fixed assets at June 30, 2000, are as follows:

Land	\$ 4,101,930
Buildings and Improvements	8,145,366
Motor Vehicles	549,491
Furniture, Machinery and Equipment	2,023,129
Construction-in-progress	<u>657,333</u>
TOTAL	15,477,249
Less: Accumulated Depreciation	<u>(3,561,129)</u>
FIXED ASSETS, NET	<u>\$11,916,120</u>

Activity in the Library's general fixed assets account group for the fiscal year ended June 30, 2000, is as follows:

	General Fixed Assets <u>July 1, 1999</u>	<u>Additions</u>	<u>Deletions</u>	General Fixed Assets <u>June 30, 2000</u>
Land and Land Improvements	\$ 7,079,168	\$3,453,066	\$ -	\$10,532,234
Buildings	31,772,476	1,812,377	-	33,584,853
Furniture and Equipment	<u>6,339,138</u>	<u>65,231</u>	<u>(25,220)</u>	<u>6,379,149</u>
TOTAL	<u>\$45,190,782</u>	<u>\$5,330,674</u>	<u>\$(25,220)</u>	<u>\$50,496,236</u>

Activity in the Medic Agency's general fixed assets account group for the fiscal year ended June 30, 2000, is as follows:

	General Fixed Assets <u>July 1, 1999</u>	<u>Additions</u>	<u>Deletions</u>	General Fixed Assets <u>June 30, 2000</u>
Vehicles	\$2,613,423	\$ 508,801	\$(73,048)	\$3,049,176
Furniture and Equipment	645,053	168,979	-	814,032
Patient Equipment	387,050	516,582	-	903,632
Computer Equipment	232,177	121,525	-	353,702
Buildings and Improvements	<u>2,478,541</u>	<u>259,458</u>	<u>-</u>	<u>2,737,999</u>
TOTAL	<u>\$6,356,244</u>	<u>\$1,575,345</u>	<u>\$(73,048)</u>	<u>\$7,858,541</u>

Amounts expended and estimated costs to complete on the County's construction-in-progress are as follows:

Project	Project <u>Authorization</u>	Expended to <u>June 30, 2000</u>	Estimated Costs to <u>Complete</u>	Required Future <u>Financing</u>
Jail Facilities	\$ 62,000,000	\$31,886,564	\$ 30,113,436	\$ -
Court Parking Deck	10,000,000	95,222	9,904,779	-
Park and Recreational Facilities	11,000,000	4,105,141	6,894,859	-
School Facilities	50,000,000	1,169,258	48,830,742	25,000,000
Solid Waste Disposal System	<u>13,300,000</u>	<u>1,844,460</u>	<u>11,455,540</u>	<u>-</u>
TOTAL	<u>\$146,300,000</u>	<u>\$39,100,645</u>	<u>\$107,199,356</u>	<u>\$25,000,000</u>

5. Interfund Receivables and Payables

Interfund receivables and payables at June 30, 2000 consist of \$475,000 due to the General Fund from the ABC Board component unit. The amount shown in the General Fund as due from component units is a result of payments made by component units prior to year-end but not received by the County until after year-end.

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MECKLENBURG COUNTY, NORTH CAROLINA
NOTES TO THE COMBINED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2000

6. Long-Term Debt

The County issues general obligation bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the County. The County consolidates all debt issues, including schools, into the Public Improvement category. The general obligation bonded debt associated with the Solid Waste Enterprise Fund is reported in that fund and will be repaid from that Fund. The remaining general obligation debt is accounted for in the General Long-Term Debt Account Group, along with other long-term obligations of the County. General Long-Term Debt Group payments are made from the General and the Storm Water Management Funds. The following changes occurred in liabilities reported in the General Long-Term Debt Account Group and the Solid Waste Enterprise Fund for the year ended June 30, 2000:

	Balance <u>July 1, 1999</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2000</u>
General Long-Term Debt Group				
General Purpose Bonds	\$1,059,452,511	\$104,000,000	\$59,401,766	\$1,104,050,745
Capital leases	9,247,431	5,000,000	2,342,505	11,904,926
Accrued vacation and sick leave	12,645,126	896,012	-	13,541,138
Certificates of participation	-	25,000,000	-	25,000,000
Unfunded pension liability	<u>664,252</u>	<u>85,485</u>	<u>-</u>	<u>749,737</u>
	<u>1,082,009,320</u>	<u>134,981,497</u>	<u>61,744,271</u>	<u>1,155,246,546</u>
Enterprise Fund				
General Purpose Bonds	20,223,276	-	2,092,909	18,130,367
Capital Leases	-	872,129	-	872,129
Accrued vacation and sick leave	<u>202,812</u>	<u>112,063</u>	<u>-</u>	<u>314,875</u>
	<u>20,426,088</u>	<u>984,192</u>	<u>2,092,909</u>	<u>19,317,371</u>
Internal Service Funds				
Capital Leases	1,510,525	-	986,321	524,204
Accrued vacation and sick leave	<u>1,016,259</u>	<u>47,717</u>	<u>-</u>	<u>1,063,976</u>
	<u>2,526,784</u>	<u>47,717</u>	<u>986,321</u>	<u>1,588,180</u>
TOTAL	<u>\$1,104,962,192</u>	<u>\$136,013,406</u>	<u>\$64,823,501</u>	<u>\$1,176,152,097</u>

In fiscal year 1994, the County defeased a portion of the Public Improvement 1989 Series A and B, the Public Improvement 1990, a portion of the Public Improvement 1991 Series A and B and the Public Improvement 1992 bonds by placing the new proceeds with an escrow agent in an irrevocable trust to provide for all future debt requirements of the refunded debt. The refunded debt is considered defeased and the applicable liabilities have been removed from the General Long-Term Debt Account Group and the Enterprise Fund. At June 30, 2000, \$130,020,000 in outstanding bonds is considered to be defeased. In the Enterprise Fund, the new debt exceeded the amount of debt retired and will be amortized over the life of the refunding bonds. For the current year, \$100,325 was amortized. The unamortized amount remaining at June 30, 2000 was \$1,203,888.

General purpose bonds are due serially and mature during the fiscal years 2001 to 2020 at average interest rates at date of issuance ranging from 4.42% to 7.17%. The effective rate of interest paid on the average principal balance of outstanding bonds during the year was 4.69%.

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NOTES TO THE COMBINED FINANCIAL STATEMENTS
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The following is a schedule of bonds payable at June 30, 2000:

	Issue Date	Due Serially To	Average Interest Rate	Original Issue	Balance June 30, 2000
Public Improvements Refunding 1986	July 1, 1986	2004	7.1686	\$ 102,300,000	\$ 2,895,000
Public Improvements 1991 - Series A	October 1, 1991	2001	6.1713	15,520,000	575,000
Public Improvements 1991 - Series B	October 1, 1991	2001	6.1713	53,000,000	1,925,000
Public Improvements Refunding Bonds 1992	March 1, 1992	2005	5.6017	164,240,000	58,895,000
Public Improvements Refunding Bonds 1993	October 1, 1993	2012	4.6630	272,295,000	200,480,000
Public Improvements 1993	October 1, 1993	2011	4.6679	18,400,000	13,900,000
Public Improvements 1994	April 1, 1994	2013	5.4293	197,215,000	166,715,000
Public Improvements 1996 - Series A	March 1, 1996	2013	4.8623	22,000,000	18,500,000
Public Improvements 1996 - Series B	March 1, 1996	2013	4.8623	225,895,000	189,500,000
Variable Rate Demand Bonds 1996 - Series C	March 1, 1996	2015	Variable	50,000,000	50,000,000
Public Improvements 1998 - Series A	February 1, 1998	2016	4.4150	31,000,000	28,700,000
Public Improvements 1998 - Series B	February 1, 1998	2016	4.4150	257,050,000	237,300,000
Variable Rate Demand Bonds 1998 - Series C	February 1, 1998	2018	Variable	50,000,000	50,000,000
Public Improvements 2000 - Series A	February 1, 2000	2010	4.9827	34,000,000	34,000,000
Public Improvements 2000 - Series B	February 1, 2000	2010	4.9827	20,000,000	20,000,000
Variable Rate Demand Bonds 2000 - Series C	February 1, 2000	2020	Variable	50,000,000	50,000,000
TOTAL				<u>\$1,562,915,000</u>	<u>\$1,123,385,000</u>
The bonds are recorded as follows:					
General Long-term Debt Account Group					\$1,104,050,745
Solid Waste Enterprise Fund					<u>19,334,255</u>
TOTAL					<u>\$1,123,385,000</u>

The interest rate on the 1996 \$50,000,000 Variable Rate Demand Bonds at June 30, 2000 was 4.65%. The County has Remarketing and Standby Purchase Agreements with a bank related to these bonds. Under these agreements which expire on August 1, 2002, with additional renewal available, the bank will remarket any bonds for which payment is demanded. If the bonds cannot be remarketed, the bank will purchase the bonds. There has been no significant change in rate subsequent to the fiscal year-end. The interest rate, per the Remarketing Agreement, cannot exceed 12%. The County paid \$95,403 in fiscal year 2000 pursuant to these agreements.

The interest rate on the 1998 \$50,000,000 Variable Rate Demand Bonds at June 30, 2000 was 4.75%. The County has Remarketing and Standby Purchase Agreements with a bank related to these bonds. Under these agreements which expire February 15, 2002, with additional renewal available, the bank will remarket any bonds for which payment is demanded. If the bonds cannot be remarketed, the bank will purchase the bonds. There has been no significant change in rate subsequent to the fiscal year-end. The interest rate, per the Remarketing Agreement, cannot exceed 12%. The County paid \$102,238 in fiscal year 2000 pursuant to these agreements.

During fiscal year 2000, the County sold \$50,000,000 in variable rate demand bonds. The County has Remarketing and Standby Purchase Agreements with a bank related to these bonds. Under these agreements which expire January 26, 2005, with additional renewal available, the bank will remarket any bonds for which payment is demanded. If the bonds cannot be remarketed, the bank will purchase the bonds. The interest rate at June 30, 2000 was 4.75%. There has been no significant change in rate subsequent to fiscal year-end. The interest rate, per the Remarketing Agreement, cannot exceed 12%. The County paid \$58,351 in fiscal year 2000 pursuant to these agreements.

The County is subject to the Local Government Bond Act of North Carolina which limits the amount of net bonded debt (exclusive of funding and refunding bonds, bonds issued for water, gas, or electric power purposes, and bonds issued for certain other specified purposes) the County may have outstanding to 8% of the appraised value of property subject to taxation. At June 30, 2000, such statutory limit for the County was \$4,832,157,530 providing a legal debt margin of \$2,930,972,530.

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MECKLENBURG COUNTY, NORTH CAROLINA
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The following schedule shows annual requirements to amortize all bonded debt outstanding as of June 30, 2000. Interest is not included in this schedule for the Variable Rate Demand Bonds. The maximum interest required for these bonds through maturity would be \$279,000,000.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000-01	\$ 67,115,000	\$ 47,308,223	\$ 114,423,223
2001-02	70,630,000	43,874,705	114,504,705
2002-03	72,665,000	40,481,038	113,146,038
2003-04	74,205,000	36,995,285	111,200,285
2004-05	75,580,000	33,410,500	108,990,500
2005-06	77,905,000	29,912,488	107,817,488
2006-07	73,130,000	26,292,775	99,422,775
2007-08	76,925,000	22,699,275	99,624,275
2008-09	72,725,000	18,924,025	91,649,025
2009-10	73,525,000	15,358,774	88,883,774
2010-11	72,230,000	11,691,275	83,921,275
2011-12	71,035,000	8,295,425	79,330,425
2012-13	56,715,000	4,933,325	61,648,325
2013-14	48,000,000	2,412,000	50,412,000
2014-15	48,000,000	1,620,000	49,620,000
2015-16	23,000,000	810,000	23,810,000
2016-17	30,000,000	-	30,000,000
2017-18	30,000,000	-	30,000,000
2018-19	5,000,000	-	5,000,000
2019-20	<u>5,000,000</u>	<u>-</u>	<u>5,000,000</u>
TOTAL	<u>\$1,123,385,000</u>	<u>\$345,019,113</u>	<u>\$1,468,404,113</u>

As of June 30, 2000, \$977,800,000 general obligation bonds, which included \$200,000,000 refunding bonds which have since been repealed, were authorized but unissued.

A summary of changes in the General Long-Term Debt Account Group for the fiscal year ended June 30, 2000, for the Library is as follows:

	<u>General Long-Term Debt July 1, 1999</u>	<u>Additions</u>	<u>Retirements</u>	<u>General Long-Term Debt June 30, 2000</u>
Amounts to be provided for payment of vacation and sick leave compensation	\$1,148,280	\$278,634	\$ 71,078	\$1,355,836
Amount to be provided for payment of capital leases	<u>634,811</u>	<u>-</u>	<u>40,790</u>	<u>594,021</u>
	<u>\$1,783,091</u>	<u>\$278,634</u>	<u>\$111,868</u>	<u>\$1,949,857</u>

The following changes occurred in liabilities reported in the General Long-Term Debt Account Group for the fiscal year ended June 30, 2000, for the Medic Agency:

	<u>General Long-Term Debt July 1, 1999</u>	<u>Net Change</u>	<u>General Long-Term Debt June 30, 2000</u>
Amounts to be provided for payment of vacation and sick leave compensation	<u>\$559,564</u>	<u>\$7,037</u>	<u>\$566,601</u>

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MECKLENBURG COUNTY, NORTH CAROLINA
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7. Certificates of Participation

The Mecklenburg County Public Facilities Corporation sold certificates of participation in the amount of \$25,000,000 on April 6, 2000, to provide funding for school facilities. Interest on these certificates is variable rate. At June 30, 2000, the interest rate was 4.75% and the outstanding principal balance was \$25,000,000. The maximum interest, which cannot exceed 12%, required for these certificates through maturity would be \$30,750,000.

Annual principal requirements to maturity are presented in the following table:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Fiscal Year</u>	<u>Principal</u>
2000-01	\$1,250,000	2010-11	\$1,250,000
2001-02	1,250,000	2011-12	1,250,000
2002-03	1,250,000	2012-13	1,250,000
2003-04	1,250,000	2013-14	1,250,000
2004-05	1,250,000	2014-15	1,250,000
2005-06	1,250,000	2015-16	1,250,000
2006-07	1,250,000	2016-17	1,250,000
2007-08	1,250,000	2017-18	1,250,000
2008-09	1,250,000	2018-19	1,250,000
2009-10	1,250,000	2019-20	1,250,000

Changes in certificates of participation are as follows:

	<u>Balance</u>	<u>Current Year</u>		<u>Balance</u>
	<u>July 1, 1999</u>	<u>Issued</u>	<u>Retired</u>	<u>June 30, 2000</u>
Certificates of Participation	\$ -	\$25,000,000	\$ -	\$25,000,000

8. Leases

The County leases certain equipment, primarily computer equipment and radios, under agreements classified as capital leases according to provisions of Financial Accounting Standards Board Statement No. 13 "Accounting for Leases". Obligations of these lease agreements are accounted for in the Enterprise and Internal Service Funds and the General Long-Term Debt Group. The book value of those fixed assets recorded in the General Fixed Assets Account Group is \$15,427,740 and the net book value of those assets recorded in the Enterprise Fund is \$768,342 and in the Internal Service Funds is \$1,023,129. In addition, the County leases various types of office equipment under operating leases.

Under terms of these leases, the County's obligation to continue payments is contingent upon continued annual funding by the Mecklenburg County Board of Commissioners. At June 30, 2000, future minimum lease payments due under capital leases and operating leases with initial or remaining non-cancelable lease terms in excess of one year are as follows:

<u>Year Ending</u>	<u>Capital</u>	<u>Operating</u>
<u>June 30,</u>	<u>Leases</u>	<u>Leases</u>
2001	\$ 3,735,808	\$ 881,364
2002	2,737,958	712,298
2003	2,038,779	15,486
2004	1,685,556	5,741
2005	1,438,702	-
Thereafter	4,445,834	-
	16,082,637	\$1,614,889
Less: Amount		
representing interest	(2,781,378)	
	<u>\$13,301,259</u>	

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The Library leases certain branch operations under lease agreements having initial terms of two to 50 years. These lease agreements include scheduled rent increases which management believes are intended to cover economic factors related to the underlying property such as property value appreciation and inflation. Certain lease agreements also provide for renewal option periods of five years. One of the branch facility leases has been classified as a capital lease. Monthly lease payments of \$6,097 and an annual rent payment of \$1,500 are required through September 2010. Beginning October 2010 through September 2045, the basic annual lease payment is \$1,501.

The following is a summary of the Library's future minimum lease payments under the capital lease together with the present value of net minimum lease payments, and approximate future minimum rental commitments under noncancelable operating leases with initial or remaining terms of one year or more as of June 30, 2000:

<u>Year Ending June 30,</u>	<u>Capital Leases</u>	<u>Operating Leases</u>
2001	\$ 74,662	\$ 574,749
2002	74,662	456,581
2003	74,662	410,381
2004	74,662	272,946
2005	74,662	233,312
Thereafter	<u>436,544</u>	<u>2,780,050</u>
	809,854	<u>\$4,728,019</u>
Less: Amount representing interest	<u>(215,833)</u>	
	<u>\$ 594,021</u>	

The Medic Agency entered into a lease agreement on November 18, 1997, with Crescent Resources, Inc. and Mecklenburg County to lease space for a Central Operations Center, which allowed the Medic Agency to consolidate its operations into one location. The term of the lease is 10 years and the annual lease obligation is \$271,860. The lease began September 2, 1998. The Medic Agency entered into a second lease agreement on October 18, 1999, with Crescent Resources, Inc. to lease 8,641 square feet for the billing department. The lease began on December 31, 1999, and will expire August 31, 2008. Rent is based on a per square foot charge of \$4.40 at lease commencement and increasing nine cents per square foot each August 31 subsequent to the commencement date.

The ABC Board's minimum annual rentals on store properties leased, with lease terms extending to May 31, 2005, at June 30, 2000, are summarized as follows:

<u>Year Ending June 30,</u>	<u>Operating Leases</u>
2001	\$128,979
2002	131,590
2003	115,703
2004	96,568
2005	<u>61,864</u>
	<u>\$534,704</u>

For the year ended June 30, 2000, rent expense for operating leases for the County was \$925,116, for the Library was \$887,746, for the Medic Agency was \$360,732, and for the ABC Board was \$260,278.

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MECKLENBURG COUNTY, NORTH CAROLINA
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9. Interfund Operating Transfers

The following is a summary of interfund operating transfers for the year ended June 30, 2000:

	Transfers from:						Component Unit	Total
	General	Internal Service	Expendable Trust Fitness	Sheriff	Volunteer/ Good Friends	ABC Board		
Transfers to:								
General	\$ -	\$ -	\$41,694	34,169	\$72,616	\$1,900,000		\$ 2,014,310
Special Revenue	2,647,489	455,543	-	-	-	-		3,103,032
Proprietary –								
Internal Service	113,972	-	-	-	-	-		148,141
Expendable Trust								
School	2,867,918	-	-	-	-	-		2,867,918
Health & Fitness	13,553	-	-	-	-	-		13,553
Component Unit –								
Library	20,217,029	-	-	-	-	-		20,217,029
Component Unit –								
Medic Agency	10,295,000	-	-	-	-	-		10,295,000
TOTAL	<u>\$36,154,961</u>	<u>\$455,543</u>	<u>\$41,694</u>	<u>\$34,169</u>	<u>\$72,616</u>	<u>\$1,900,000</u>		<u>\$38,658,983</u>

Transfers from the General Fund to the Library component unit do not match the component unit transfers as a result of timing differences.

10. Contributed Capital

During the year, contributed capital changed by the following amounts:

	Internal Service		
	Solid Waste Enterprise	General Services Administration	Information Services & Technology
Contributed Capital - Beginning of fiscal year	\$32,352,102	\$5,360,480	\$1,324,111
Capital assets transferred from General Fixed Assets	<u>157,796</u>	<u>124,576</u>	<u>88,495</u>
Contributed Capital - End of fiscal year	<u>\$32,509,898</u>	<u>\$5,485,056</u>	<u>\$1,412,606</u>

11. Pension Plan Obligations

(a) North Carolina Local Governmental Employees' Retirement System

Mecklenburg County contributes to the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing, multiple-employer, defined benefit pension plan administered by the State of North Carolina. LGERS provides retirement and disability benefits to plan members and beneficiaries. Article 3 of N.C.G.S. 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 3512 Bush Street, Raleigh, North Carolina 27609, or by calling (919) 981-5454.

Plan members are required to contribute 6% of their annual covered salary. The County is required to contribute at an actuarially determined rate. The current rate for employees not engaged in law enforcement and for law enforcement officers

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is 4.80% and 4.49%, respectively, of annual covered payroll. The contribution requirements of members and of Mecklenburg County are established and may be amended by the North Carolina General Assembly. The County's contributions to LGERS for the years ended June 30, 2000, 1999 and 1998 were \$6,825,806, \$6,001,967, and \$5,588,444, respectively. The contributions made by the County equaled the required contributions for the year.

The Library, Medic Agency and ABC Board also participate in the North Carolina Local Governmental Employees' Retirement System as described above, which is the same plan in which the County participates. The Library's contributions to LGERS for the years ended June 30, 2000, 1999, and 1998 were \$591,242, \$491,615 and \$418,216, respectively. The current rate for employees is 4.88% of covered payroll. The Medic Agency's contributions to LGERS for the year ended June 30, 2000, 1999 and 1998 were \$414,063, \$394,521 and \$377,327, respectively, and the current rate for employees is 4.88% of covered payroll. The ABC Board's contributions to LGERS for the years ended June 30, 2000, 1999, and 1998 were \$226,086, \$188,526, and \$175,496 respectively. The ABC Board's required contributions for employees not engaged in law enforcement and for law enforcement officers are 4.94% and 4.63% of covered payroll, respectively. The contributions made by the Library, Medic Agency and ABC Board equaled the required contributions for the year.

(b) Law Enforcement Officers' Special Separation Allowance

Mecklenburg County and the ABC Board administer a public employee retirement system (the "Separation Allowance"), a single-employer, defined benefit pension plan that provides retirement benefits to qualified sworn law enforcement officers. The Separation Allowance is equal to .85 percent of the monthly equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of N.C.G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time County and ABC Board law enforcement officers are covered by the Separation Allowance; however, benefit eligibility is based on qualified and creditable service for unreduced retirement benefits. At December 31, 1999, the Separation Allowance's membership consisted of:

	<u>County</u>	<u>ABC Board</u>
Retirees receiving benefits	21	3
Active plan members	<u>315</u>	<u>10</u>
Total	<u>336</u>	<u>13</u>

The County and ABC Board have chosen to fund the Separation Allowance on a pay-as-you-go basis. Pension expenditures by the County, for which there is no separately issued financial report, of \$220,707 for the fiscal year ended June 30, 2000, were made from the General Fund, which is maintained on a modified accrual basis of accounting. The financial statements of the ABC Board are prepared using the accrual basis of accounting. The ABC Board paid benefits of \$30,625 for the fiscal year ended June 30, 2000. They have chosen not to have an actuarial study performed because the liability is considered to be immaterial. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

The County and ABC Board are required by Article 12D of N.C.G.S. 143 to provide these retirement benefits. The County and ABC Board obligations to contribute to this plan are established and may be amended by the North Carolina General Assembly. There were no contributions made by employees.

The County's annual required contribution for the current year was determined as part of the December 31, 1999, actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions include (a) 7.25% investment rate of return and (b) projected salary increases ranging from 4.4% to 8.5% per year, as well as an inflation component of 3.75%.

The assumptions did not include postretirement benefit increases. The actuarial value of assets was market value. The unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at December 31, 1999, was 20 years.

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The County's annual pension cost and net pension obligation to the Separation Allowance for the current year were as follows:

Annual required contribution	\$318,467
Interest on net pension obligation	48,158
Adjustment to annual required contribution	<u>(60,433)</u>
Annual pension cost	306,192
Contributions made	<u>220,707</u>
Increase in net pension obligation	85,485
Net pension obligation beginning of year	<u>664,252</u>
 Net pension obligation end of year	 <u>\$749,737</u>

Three-Year Trend Information

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation End of Year</u>
2000	\$306,192	72.08%	\$749,737
1999	274,840	78.37	664,252
1998	237,557	93.55	604,798

(c) Supplemental Retirement Income Plan

The County and ABC Board contribute to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the County and ABC Board. Article 5 of N.C.G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

Article 12E of N.C.G.S. Chapter 143 requires the County and ABC Board to contribute each month an amount equal to 5% of each officer's salary, and all amounts contributed are vested immediately. In addition, the ABC Board voluntarily contributes each month an amount equal to 5% of each officer's salary. Also, law enforcement officers may make voluntary contributions to the Plan. For County officers, all contributions were provided by the County and the total amount for the year ended June 30, 2000 was \$638,440. Contributions for the ABC Board for the year ended June 30, 2000, were \$74,883, which consisted of \$57,885 from the ABC Board and \$16,998 from the law enforcement officers' voluntary contributions. The ABC Board's required plus voluntary contributions and the officers' voluntary contributions represented 10% and 2.9%, respectively, for the year ended June 30, 2000.

For non-law enforcement full-time employees, the ABC Board voluntarily contributes each month an amount equal to 6% of each employee's salary. Non-law enforcement employees, also, may make voluntary contributions to the plan. The ABC Board's contributions were calculated using a covered payroll amount of \$4,044,429 for June 30, 2000 and \$3,356,920 for June 30, 1999. Total contributions for the years ended June 30, 2000 and 1999 were \$381,268 and \$296,894, respectively, which consisted of \$242,666 for June 30, 2000 and \$201,718 for June 30, 1999 from the ABC Board and \$138,602 for June 30, 2000 and \$95,176 for June 30, 1999 from the non-law enforcement employee's voluntary contributions. The ABC Board's voluntary contributions and the non-law enforcement employee's voluntary contributions represented 6% and 3.4%, respectively, for the year ended June 30, 2000 and 6% and 2.8%, respectively, for the year ended June 30, 1999.

(d) Register of Deeds Supplemental Pension Fund

The County also contributes to the Registers of Deeds= Supplemental Pension Fund (Fund), a noncontributory, defined contribution plan administered by the North Carolina Department of State Treasurer. The Fund provides supplemental pension benefits to any county register of deeds who is retired under the Local Governmental Employees= Retirement System or an equivalent locally sponsored plan. Article 3 of N.C.G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

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NOTES TO THE COMBINED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2000

On a monthly basis, the County remits to the Department of State Treasurer an amount equal to 4.5% of the monthly receipts collected pursuant to Article 1 of N.C.G.S. 161, primarily marriage license and general fees. Immediately following January 1 of each year, the Department of State Treasurer divides 93% of the amount in the Fund at the end of the preceding calendar year into equal shares to be disbursed as monthly benefits. The remaining 7% of the Fund's assets may be used by the State Treasurer in administering the Fund. For the fiscal year ended June 30, 2000, the County's required and actual contributions were \$131,915.

12. Deferred Compensation Plan

The County, Library and Medic Agency offer its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all County, Library and Medic Agency employees, permits them to defer a portion of their salary to future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The County, Library and Medic Agency have complied with changes in the laws which govern deferred compensation plans, requiring all assets of the plan to be held in trust for the exclusive benefit of the participants and their beneficiaries.

13. Post-Employment Benefits

The County and Library pay the full cost of the health care insurance premium for employees retiring with twenty or more years of service. Employees retiring with 10 through 19 years of service receive 50% of the costs of their health care insurance premium. For the fiscal year ended June 30, 2000, the County's expense for this benefit was \$827,805 and the number of retirees taking advantage of this benefit was 526. The cost of benefits for the Library recognized as an expenditure for the fiscal year ended June 30, 2000 was \$77,486 for the 35 retirees covered. The County and Library are under no statutory requirement to provide this benefit. Consequently, there is no unfunded liability to the County or the Library for this benefit.

Under the Consolidated Omnibus Budget and Reconciliation Act of 1985 (COBRA), the County and Medic Agency allow terminated employees to continue their enrollment in their health care insurance program for up to 18 months following termination. Continuation of coverage by the terminated employee is optional for the employee who has up to 60 days following termination to decide. There is no cost to the County or Medic Agency, and the terminated employee must pay the full premium amount plus a two percent administrative fee.

The County has elected to provide death benefits to employees through the Death Trust Plan for members of the Local Governmental Employees' Retirement System (Death Trust Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. Employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest month's salary in a row during the 24 months prior to death, but the benefit may not exceed \$20,000. All death benefit payments are made from the Death Trust Plan. The County has no liability beyond the payment of monthly contributions. Contributions are determined as a percentage of monthly payroll, based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. Because the benefit payments are made by the Death Trust Plan and not by the County, the County does not determine the number of eligible participants. For the fiscal year ended June 30, 2000, the County made contributions to the State for death benefits of \$135,183. The County's required contributions for covered employees represented .14% of covered payroll for law enforcement officers and .09% of covered payroll for employees not engaged in law enforcement.

The ABC Board pays the full cost of the health and life insurance premiums for retired employees. This benefit is provided through age 65 for employees who retired between July 1, 1995 and July 1, 1999. This benefit is continued until death for employees who retire after July 1, 1999. The ABC Board has chosen to pay these benefits on a pay-as-you-go basis.

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MECKLENBURG COUNTY, NORTH CAROLINA
NOTES TO THE COMBINED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2000

14. Risk Management

The County's Risk Management Program is a self-funded, risk-financing program administered by the City of Charlotte's Risk Management Division of the City Finance Department, as trustee for the County. As of June 30, 2000, the program covered the following areas of risk: Commercial Automobile Liability, Fidelity Bonds, Inland Marine, Commercial General Liability, Public Official Liability, Police Professional Liability, Medical Professional Liability, Property, and Workers' Compensation. The County will finance its own loss exposures up to the first \$1,000,000 per occurrence per year with a separate reserve held in trust for the County and current appropriations in the County budget except for property exposures and Workers' Compensation exposures as described below. Amounts in this reserve are specifically designated by entity. The Risk Management Division accrues for claims incurred but not reported based on prior historical data. This accrual reduces cash available in the separate trust. Property exposures over \$100,000 and Workers' Compensation exposures over \$275,000 are insured. Police Professional Liability exposures over \$250,000 are insured up to \$4,750,000. The County has purchased excess insurance to cover automobile and general liability exposures in amounts up to \$20,000,000 above the trust coverage amount. Medical Professional Liability exposures for County dentists and doctors are purchased up to \$1,000,000. There have been no significant reductions in insurance coverage from coverage levels in the prior year and settled claims have not exceeded coverage in any of the past three fiscal years.

A summary of amounts relating to self-insurance in the General Fund is as follows:

	<u>2000</u>	<u>1999</u>
Accounts payable and accrued liabilities - beginning of fiscal year	\$10,341,434	\$8,683,536
Additions	4,701,359	3,630,550
Payments	<u>(3,001,923)</u>	<u>(1,972,652)</u>
Accounts payable and accrued liabilities - end of fiscal year	<u>\$12,040,870</u>	<u>\$10,341,434</u>

The Library acquires its risk management services through the City of Charlotte's Risk Management Division. The Library has commercial general liability and auto insurance of \$1,000,000 per occurrence, workers' compensation employer's liability coverage of \$500,000 and public officers' coverage of \$1,000,000 per loss. There have been no significant reductions in insurance coverage from coverage levels in the prior year and settled claims have not exceeded coverage in any of the past three fiscal years.

The insurance coverage for the Medic Agency is provided through commercial carriers and includes a commercial property policy, a business package policy and a commercial excess policy. The limit for the commercial property policy is \$3,629,205 with no deductible. The business package policy includes general liability, automobiles and other general business activities. The coverage for general liability and automobile insurance is \$1 million per occurrence with a \$500 deductible. The commercial excess liability policy includes a limit of \$5 million for each occurrence. Workers' Compensation is also provided through a commercial carrier with a \$500,000 limit on employer's liability for each occurrence. There have been no significant reductions in coverage or claims exceeding coverage over the past three years.

The ABC Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The ABC Board has property, general liability, auto liability, workers' compensation and employee health coverage. The ABC Board also has liquor legal liability. There have been no significant reductions in insurance coverage from coverage levels in the prior year and settled claims have not exceeded coverage in any of the past three fiscal years. The ABC Board has a self-insurance medical program for its employees. This program will pay a maximum of \$25,000 per employee per year with any amounts above this maximum covered by a stop loss insurance policy.

15. Closure and Postclosure Care Costs – U.S.521 Landfill

State and federal laws require the County to place a final cover on its U.S.521 Landfill Facility when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 25 years after closure. Although closure and postclosure care costs will only be paid near or after the date the landfill stops accepting waste, the County reports a portion of these costs as an operating expense each fiscal year based on the landfill capacity used as of the balance sheet date.

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(CONTINUED)
MECKLENBURG COUNTY, NORTH CAROLINA
NOTES TO THE COMBINED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2000

The \$200,088 reported as landfill development and postclosure care liability at June 30, 2000 represents the amount reported for the first year of operation of this landfill, based on the use of 3% of the total estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care of \$3.3 million as the remaining estimated capacity is filled. These amounts are based on the current costs to perform closure and postclosure care in 2000. The County expects to close the U.S.521 landfill in 2025. Actual costs may be higher due to inflation, changes in technology or changes in regulations.

The County has met the requirements of a local government financial test that is one option under state and federal laws and regulations that help determine if a unit is financially able to meet closure and postclosure care requirements. However, the County has also elected to establish a reserve fund to accumulate the resources for the payment of final development and postclosure care costs. A transfer of \$200,088 was made to the Landfill Development and Postclosure Reserve Fund during the fiscal year ended June 30, 2000. Those funds are held in investments with a cost of \$200,088 (market value, \$200,088) at year-end. The County expects that future inflation costs will be paid from the interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined, these costs may need to be covered by charges to future landfill users.

16. Commitments and Contingencies

- (a) The County participates in a number of Federal and State of North Carolina grant programs, principally Social Services Administration, Temporary Assistance to Needy Families, Mental Health Area Matching Funds, and Medical Assistance programs. For the fiscal year ended June 30, 2000, these programs were audited in accordance with the Single Audit Amendment of 1996 and the State Single Audit Act, N.C.G.S. 159-34, which report is issued separately. Any expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.
- (b) Unexpended funds of \$208,623,316 at June 30, 2000, are committed for various projects in accordance with related Capital Projects Ordinances.
- (c) The County is involved in various legal actions in the normal course of its business. In addition, the County has charges pending with the Equal Employment Opportunity Commission. The charges initiated by individuals alleging discriminatory hiring, promotion or termination practices, are not in litigation and there have been no class action threats. Although the outcome of the above claims and the ultimate amount of compensation or penalties which might be awarded are not presently determinable, in the opinion of County management and County Attorney, the results of the claims and resolution of legal actions will not have a materially adverse impact on the financial position of the County.

17. Jointly Governed Organization

The County, in conjunction with seven other counties and 50 municipalities, established the Centralina Council of Governments (COG)(Region F). The participating governments established COG to coordinate funding received from various federal and state agencies. Each participating government appoints one member to COG's 58-member governing board. The County paid membership fees of \$95,849 to COG during fiscal year 2000.

18. Joint Ventures

The County, along with the State of North Carolina, participates in a joint venture to operate Central Piedmont Community College (CPCC). The County, State of North Carolina and the Charlotte-Mecklenburg Board of Education make four appointments each to the 12-member board of trustees. CPCC is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of CPCC and also provides some financial support for operations. In addition to providing annual appropriations for facilities, the County periodically issues general obligation bonds to provide financing for new and restructured facilities. The County contributed \$11,260,043 for operations and \$8,205,909 for capital purposes during fiscal year 2000, and made debt service payments of \$6,561,385 in fiscal year 2000 on general obligation bonds issued for CPCC. The participating governments do not have any equity interest in the joint

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MECKLENBURG COUNTY, NORTH CAROLINA
NOTES TO THE COMBINED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2000

venture; therefore, no equity interest is reflected in the County's financial statements. Complete financial statements for CPCC may be obtained from the following address:

Central Piedmont Community College
P.O. Box 35009
Charlotte, NC 28235

The County, in conjunction with Catawba, Iredell and Lincoln Counties participates in a joint venture to operate the Lake Norman Marine Commission. Each participating government appoints one board member, except Catawba County which appoints two members. The Commission was established to make joint regulations for the safe operation of vessels and for safe recreational use of the water. Each County is obligated to contribute an equal amount appropriate to support the activities of the Commission. The County provided \$18,727 to the Commission in fiscal year 2000. None of the participating governments has an equity interest in the Commission, so no equity interest has been reflected in the financial statements at June 30, 2000. Complete financial statements for the Commission may be obtained from the following address:

Lake Norman Marine Commission
P.O. Box 35008
Charlotte, NC 28235

In addition, the County, in conjunction with Gaston County and York County, South Carolina, participates in a joint venture to operate the Lake Wylie Marine Commission. The County and York County appoint two board members, and Gaston County appoints three members. The Commission was established to make joint regulations for preserving and protecting property and wildlife and promoting public safety. Each County is obligated to contribute an equal amount appropriate to support the activities of the Commission. The County provided \$21,600 to the Commission in fiscal year 2000. None of the participating governments has an equity interest in the Commission, so no equity interest has been reflected in the financial statements at June 30, 2000. Complete financial statements for the Commission may be obtained from the following address:

Lake Wylie Marine Commission
P.O. Box 35008
Charlotte, NC 28235

In addition, the County, in conjunction with Gaston and Lincoln Counties, participates in a joint venture to operate the Mountain Island Lake Marine Commission. The County appoints three board members, Gaston County appoints three members and Lincoln County appoints one member. The Commission was established to make joint regulations for preserving and protecting property and wildlife and promoting public safety. Each County is obligated to contribute an amount based on its shoreline lying within each county to support the activities of the Commission. The County provided \$14,400 to the Commission in fiscal year 2000. None of the participating governments has an equity interest in the Commission, so no equity interest has been reflected in the financial statements at June 30, 2000. Complete financial statements for the Commission may be obtained from the following address:

Mountain Island Marine Commission
P.O. Box 35008
Charlotte, NC 28235

19. Conduit Debt Obligation

In February 1996, Mecklenburg County issued \$22,700,000 Variable Rate Lease Revenue Bonds on behalf of the Young Men's Christian Association (YMCA) of Greater Charlotte for the acquisition, construction, improvement and equipping of two new recreational facilities and the renovation and improvement of certain other existing facilities. These bonds are secured by pledges to the YMCA's 1995 capital campaign drive as well as a letter of credit. Neither the County, the State, nor any political subdivision thereof is obligated in any manner for the repayment of these bonds. Accordingly, the outstanding bonds in the amount of \$18,200,000 are not reported as liabilities in the accompanying financial statements.

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(CONTINUED)
MECKLENBURG COUNTY, NORTH CAROLINA
NOTES TO THE COMBINED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2000

20. Related Organization

The Mecklenburg County Industrial Facilities and Pollution Control Financing Authority was created in 1976. The seven-member board is appointed by the Board of County Commissioners. The purpose of the Authority is to assist corporations in financing industrial and manufacturing facilities for the purpose of providing employment or increasing below-average manufacturing wages. Any financing that occurs is an obligation of the corporation, not an obligation of either the County or this Authority. Companies pay an application fee which provides operating funds for the Authority.

Required Supplementary Information

The Required Supplementary Information section provides additional required data on the Law Enforcement Special Separation Allowance.

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MECKLENBURG COUNTY, NORTH CAROLINA
SEPARATION ALLOWANCE FOR LAW ENFORCEMENT OFFICERS
REQUIRED SUPPLEMENTARY INFORMATION
ANALYSIS OF FUNDING PROGRESS
LAST TEN FISCAL YEARS

Year Ended Dec. 31,	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
1999	\$ -	\$ 2,290,374	\$ 2,290,374	0.00%	\$11,818,111	19.38%
1998	-	2,086,864	2,086,864	0.00	12,605,093	16.56
1997	-	1,944,361	1,944,361	0.00	11,055,301	17.59
1996	-	1,700,570	1,700,570	0.00	9,726,420	17.48
1995	-	1,688,629	1,688,629	0.00	10,234,174	16.50
1994	-	1,424,566	1,424,566	0.00	11,446,271	12.45
1993	-	1,226,361	1,226,361	0.00	10,628,209	11.54
1992	-	2,320,490	2,320,490	0.00	14,936,987	15.54
1991	-	2,233,183	2,233,183	0.00	13,305,550	16.78
1990	-	1,893,256	1,893,256	0.00	9,360,344	20.23

MECKLENBURG COUNTY, NORTH CAROLINA
SEPARATION ALLOWANCE FOR LAW ENFORCEMENT OFFICERS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS

<u>Fiscal Year Ended June 30,</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2000	\$ 318,467	69.30%
1999	284,944	75.59
1998	247,032	83.35
1997	247,667	78.69

Notes to the Required Schedules:

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	12/31/1999
Actuarial cost method	Projected unit credit
Amortization method	Level dollar closed
Remaining amortization period	20 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	7.25%
Projected salary increases*	4.4% - 8.5%
Cost-of-living adjustments	None

* Includes inflation at 3.75%.

General Fund

The General Fund accounts for all services provided by Mecklenburg County, except for those activities which require specialized treatment and are thus presented elsewhere in the Report.

MECKLENBURG COUNTY, NORTH CAROLINA
GENERAL FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2000 AND 1999

<u>ASSETS</u>	<u>2000</u>	<u>1999</u>
Cash and investments	\$ 154,341,544	\$ 151,925,123
Accrued interest receivable	5,319,960	4,946,769
Accounts receivable - principally federal and state governments	53,010,309	41,072,064
Accounts receivable - clinics	27,199,025	11,586,910
Less allowance for doubtful accounts	(18,801,880)	(9,856,546)
Taxes receivable	24,692,822	24,216,285
Less allowance for uncollectible taxes	(8,000,000)	(8,800,000)
Advances to other governmental agencies	414,619	59,513
Due from component units	475,000	415,625
TOTAL ASSETS	<u>\$238,651,399</u>	<u>\$215,565,743</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable and accrued liabilities	\$ 41,770,185	\$ 38,893,702
Advance deposits and payments	775,116	728,931
Deferred revenue - taxes	16,692,822	15,416,285
Deferred revenue - other	2,547,163	1,720,794
Total Liabilities	<u>61,785,286</u>	<u>56,759,712</u>
Fund Balance:		
Reserved for encumbrances	10,213,412	15,211,262
Reserved by State statute	67,617,033	48,224,335
Unreserved:		
Designated for community services	98,900	-
Designated for regulatory and operational services	46,172	42,264
Designated for public safety and court support services	64,860	-
Designated for health and human services	253,500	-
Designated for self-insurance	1,639,877	463,756
Designated for subsequent years' expenditures	28,875,794	26,181,553
Undesignated	68,056,565	68,682,861
Total Fund Balance	<u>176,866,113</u>	<u>158,806,031</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$238,651,399</u>	<u>\$215,565,743</u>

MECKLENBURG COUNTY, NORTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2000
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 1999

	2000		1999
	Budget	Actual	Actual
REVENUES:			
Taxes	\$ 531,253,152	\$ 542,710,974	\$ 485,125,596
Licenses and permits	16,469,852	17,911,117	16,086,280
Intergovernmental	165,159,745	162,208,372	135,137,599
Charges for services	47,466,021	45,751,142	46,338,789
Interest earned on investments	19,000,000	23,062,717	21,352,014
Administrative charges	3,708,400	3,664,596	3,469,017
Other	2,951,021	3,694,354	2,848,458
Total Revenues	<u>786,008,191</u>	<u>799,003,272</u>	<u>710,357,753</u>
EXPENDITURES:			
Policy Development and Management			
Support Services	69,339,919	59,507,158	58,510,956
Corporate Support Services	15,508,493	14,193,760	13,618,487
Regulatory and Operational Services	35,819,606	30,742,240	27,246,420
Community Services	32,195,898	27,744,841	24,557,628
Public Safety and Court Support Services	68,763,620	65,633,434	59,329,668
Health and Human Services	264,939,306	243,397,887	225,327,726
Government Relations	312,257,307	311,617,388	287,778,191
Total Expenditures	<u>798,824,149</u>	<u>752,836,708</u>	<u>696,369,076</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(12,815,958)</u>	<u>46,166,564</u>	<u>13,988,677</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers in:			
Expendable Trust	339,868	148,479	41,072
Component Unit-ABC Board	1,769,040	1,900,000	1,662,500
Operating transfers out:			
Special Revenue	(2,647,489)	(2,647,489)	(1,630,114)
Internal Service	(145,392)	(113,972)	(1,003,054)
Expendable Trust	(2,881,471)	(2,881,471)	(1,082,259)
Component Unit-Library	(20,239,612)	(20,217,029)	(18,578,242)
Component Unit-Emergency Medical Services	(10,295,000)	(10,295,000)	(11,295,522)
Capital Leases	-	5,000,000	1,757,296
Appropriated fund balance	46,916,014	-	-
Total Other Financing Sources (Uses)	<u>12,815,958</u>	<u>(29,106,482)</u>	<u>(30,128,323)</u>
EXCESS (DEFICIT) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>\$ -</u>	17,060,082	(16,139,646)
FUND BALANCE - BEGINNING OF FISCAL YEAR		158,806,031	173,671,357
RESIDUAL EQUITY TRANSFER:			
FROM INTERNAL SERVICE FUND		1,000,000	1,274,320
FUND BALANCE - END OF FISCAL YEAR		<u>\$ 176,866,113</u>	<u>\$ 158,806,031</u>

MECKLENBURG COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2000
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 1999

	2000		1999
	Budget	Actual	Actual
<u>TAXES</u>			
General property - current	\$ 413,372,269	\$ 424,760,333	\$ 376,583,740
General property - prior	9,610,000	8,002,886	6,958,005
Interest on delinquent taxes	1,500,000	1,879,691	1,661,529
Sales	105,494,483	107,109,132	98,800,802
Room Occupancy	1,196,400	868,039	1,083,285
Other	80,000	90,893	38,235
	<u>531,253,152</u>	<u>542,710,974</u>	<u>485,125,596</u>
<u>LICENSES AND PERMITS</u>			
Business licenses	190,000	168,243	196,900
Inspection permits	16,206,852	17,664,954	15,817,095
Marriage licenses	73,000	77,920	72,285
	<u>16,469,852</u>	<u>17,911,117</u>	<u>16,086,280</u>
<u>INTERGOVERNMENTAL</u>			
Federal	67,634,950	71,892,029	55,902,386
State	92,497,799	87,862,183	77,145,131
Local	5,026,996	2,454,160	2,090,082
	<u>165,159,745</u>	<u>162,208,372</u>	<u>135,137,599</u>
<u>CHARGES FOR SERVICES</u>			
Policy Development and Management			
Support Services	10,000	3,842	11,925
Corporate Support Services	9,832,770	9,931,197	10,208,422
Regulatory and Operational Services	3,071,967	3,131,223	3,309,337
Community Services	2,546,649	2,027,620	1,882,014
Public Safety and Court Support Services	11,667,294	12,647,116	12,305,914
Health and Human Services	18,020,341	15,512,803	16,328,782
Government Relations	2,317,000	2,497,341	2,292,395
	<u>47,466,021</u>	<u>45,751,142</u>	<u>46,338,789</u>
<u>INTEREST EARNED ON INVESTMENTS</u>	19,000,000	23,062,717	21,352,014
<u>ADMINISTRATIVE CHARGES</u>			
Intrafund revenue	3,708,400	3,664,596	3,469,017
<u>OTHER</u>			
Rentals	205,235	419,979	378,894
Sale of properties	303,890	312,704	611,812
Miscellaneous	2,441,896	2,961,671	1,857,752
	<u>2,951,021</u>	<u>3,694,354</u>	<u>2,848,458</u>
TOTAL REVENUES	<u>\$ 786,008,191</u>	<u>\$ 799,003,272</u>	<u>\$ 710,357,753</u>

MECKLENBURG COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2000
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 1999

	2000		1999
	Budget	Actual	Actual
<u>POLICY DEVELOPMENT AND MANAGEMENT</u>			
<u>SUPPORT SERVICES</u>			
County Commissioners and			
County Manager	\$ 1,743,381	\$ 1,686,120	\$ 1,575,382
Internal Audit	443,088	412,731	415,478
Financial Services	3,727,803	3,311,470	2,997,323
County Attorney	512,041	509,010	481,047
Human Resources	2,388,521	2,193,706	2,039,757
Budget	1,243,773	1,059,148	818,624
Debt Service:			
Principal retirement - bonds	25,644,384	25,669,754	25,181,614
Principal retirement - certificates of participation	-	-	600,000
Interest and fiscal charges	18,263,537	18,212,049	19,183,146
Payment to City of Charlotte	690,100	690,073	672,144
Non Departmental	14,683,291	5,489,968	3,435,762
Capital Leases	-	273,129	1,110,679
TOTAL POLICY DEVELOPMENT AND			
MANAGEMENT SUPPORT SERVICES	69,339,919	59,507,158	58,510,956
<u>CORPORATE SUPPORT SERVICES</u>			
Clerk to the Board	231,509	226,611	212,700
Public Service & Information	755,059	697,797	564,084
Register of Deeds	3,762,626	3,335,491	2,796,776
Tax Administration	6,443,231	6,046,215	6,349,901
Tax Collector	4,316,068	3,887,646	3,695,026
TOTAL CORPORATE SUPPORT SERVICES	15,508,493	14,193,760	13,618,487
<u>REGULATORY AND OPERATIONAL SERVICES</u>			
Engineering and Building Standards	26,754,313	23,374,064	20,100,462
Environmental Protection	6,207,826	4,684,571	4,496,053
Historic Landmarks Commission	1,091	-	103,988
Environmental Health	2,856,376	2,683,605	2,545,917
TOTAL REGULATORY AND OPERATIONAL			
SERVICES	35,819,606	30,742,240	27,246,420

(Continued)

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(CONTINUED)

MECKLENBURG COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2000
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 1999

	2000		1999
	Budget	Actual	Actual
<u>COMMUNITY SERVICES</u>			
Minority Affairs	\$ 213,677	\$ 85,901	\$ 72,993
Cooperative Extension Service	685,103	570,746	570,376
Elections	2,792,805	2,457,602	1,670,825
Park and Recreation	26,446,860	22,676,451	20,776,167
Women's Commission	778,421	675,110	422,394
WTVI	1,279,032	1,279,031	1,044,873
TOTAL COMMUNITY SERVICES	<u>32,195,898</u>	<u>27,744,841</u>	<u>24,557,628</u>
<u>PUBLIC SAFETY AND COURT SUPPORT SERVICES</u>			
Court Services	6,151,796	4,915,247	4,960,029
District Attorney	678,913	633,953	502,055
General Courts of Justice	1,714,688	1,680,864	1,700,258
Medical Examiner	487,865	484,281	471,494
Public Defender	102,089	80,825	45,890
Sheriff and Jails	59,628,269	57,838,264	51,649,942
TOTAL PUBLIC SAFETY AND COURT SUPPORT SERVICES	<u>68,763,620</u>	<u>65,633,434</u>	<u>59,329,668</u>
<u>HEALTH AND HUMAN SERVICES</u>			
Emergency Medical Services	996,903	688,972	629,359
Veterans Services	391,991	383,838	398,782
Outside Agencies-Human Services	452,529	328,596	600,083
Health/Mental Health and Community Services			
Public Health-Other	4,535,900	3,802,027	1,731,264
Public Health CMHA Contract	14,993,342	14,158,861	14,722,472
Child & Adolescent Continuum	23,679,000	21,034,078	19,823,061
Adult Continuum	31,920,080	27,224,815	25,582,484
Community Based Initiatives	-	-	6,479,969
Managed Care Coordination	4,682,549	3,906,843	1,702,580
Business Services	2,482,399	2,025,147	4,837,858
Area Administration	6,415,160	5,372,897	1,752,389
CMHA-Contract MH	7,732,144	7,655,789	7,963,868

(Continued)

C-4
(CONTINUED)

MECKLENBURG COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2000
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 1999

	<u>2000</u>		<u>1999</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<u>HEALTH AND HUMAN SERVICES (cont.)</u>			
Social Services			
DSS-Administration	\$ 8,275,630	\$ 7,540,025	\$ 6,567,861
Grants	27,011,477	26,359,770	23,273,840
Day Care Operations	52,138,071	48,945,138	42,923,088
Services for Adults	22,532,784	19,286,574	17,440,454
Economic Services	21,316,965	20,210,202	17,428,158
Youth & Family Services	35,382,382	34,474,315	31,470,156
TOTAL HEALTH AND HUMAN SERVICES	<u>264,939,306</u>	<u>243,397,887</u>	<u>225,327,726</u>
 <u>GOVERNMENT RELATIONS</u>			
City County Programs	430,230	400,930	362,527
Board of Education			
School - Current	207,453,914	207,117,883	186,453,912
School - Capital Outlay	5,857,782	5,857,782	6,359,472
School - Debt Service:			
Principal retirement - bonds	28,968,000	28,969,274	27,994,119
Interest	29,129,400	29,125,447	30,459,898
Central Piedmont Community College			
CPCC - Current	11,279,115	11,260,043	10,567,370
CPCC - Debt Service:			
Principal retirement - bonds	3,571,500	3,571,833	3,258,454
Interest	3,007,900	2,989,552	3,238,826
Hospitals	17,575,000	17,567,647	17,574,791
Outside Agencies - Other	4,984,466	4,756,997	1,508,822
TOTAL GOVERNMENT RELATIONS	<u>312,257,307</u>	<u>311,617,388</u>	<u>287,778,191</u>
 TOTAL EXPENDITURES	<u>\$798,824,149</u>	<u>\$752,836,708</u>	<u>\$ 696,369,076</u>

Special Revenue Funds

The Special Revenue Funds account for proceeds of revenue sources that are restricted to expenditures for specific purposes. These funds are established under the provisions of the North Carolina General Statutes. (Individual fund descriptions are on the next page.)

Special Revenue Funds

Capital Reserve: Accounts for expenditures from current appropriations and certain park entrance fees for capital outlay and improvements.

Storm Water Management: Accounts for fees and expenditures designated for flood control, drainage and storm water management.

Law Enforcement Service District: Accounts for the ad valorem taxes for the law enforcement service district which are levied in the unincorporated areas of the County.

Transit One-Half Cent Sales Tax: Accounts for revenue from a one-half cent sales tax levied to fund transit projects which are part of the 2025 Integrated Transit/Land Use Plan for Charlotte-Mecklenburg.

Additional One-Half Cent Sales Tax: Accounts for sales tax revenue designated for specific purposes.

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MECKLENBURG COUNTY, NORTH CAROLINA SPECIAL REVENUE FUNDS COMBINING BALANCE SHEET JUNE 30, 2000 WITH COMPARATIVE TOTALS FOR JUNE 30, 1999

	Capital Reserve	Storm Water Management	Law Enforcement Service District	Transit One-Half Cent Sales Tax	Additional One-Half Cent Sales Tax	Totals	
						2000	1999
<u>ASSETS</u>							
Cash and investments	\$ 7,227,109	\$ 4,751,490	\$ 933,538	\$ -	\$ 2,323,943	\$ 15,236,080	\$ 11,945,073
Accrued interest receivable	101	126,808	13,607	-	33,874	174,390	75,911
Accounts receivable	8,077	1,687,202	2,190	7,304,714	-	9,002,183	442,279
Taxes receivable	-	-	278,604	-	-	278,604	326,352
Less allowance for uncollectible taxes	-	-	(82,000)	-	-	(82,000)	(100,000)
Advances to other governmental agencies	166,870	-	-	-	-	166,870	-
						-	
TOTAL ASSETS	<u>\$ 7,402,157</u>	<u>\$ 6,565,500</u>	<u>\$ 1,145,939</u>	<u>\$ 7,304,714</u>	<u>\$ 2,357,817</u>	<u>\$ 24,776,127</u>	<u>\$ 12,689,615</u>
<u>LIABILITIES AND FUND BALANCES</u>							
Liabilities:							
Accounts payable and accrued liabilities	\$ 1,657,310	\$ 88,638	\$ -	\$ -	\$ -	\$ 1,745,948	\$ 1,115,378
Deferred revenue - taxes	-	-	196,604	-	-	196,604	226,352
Deferred revenue - other	8,077	-	-	-	-	8,077	11,048
Total liabilities	<u>1,665,387</u>	<u>88,638</u>	<u>196,604</u>	<u>-</u>	<u>-</u>	<u>1,950,629</u>	<u>1,352,778</u>
Fund Balances:							
Reserved for encumbrances	658,592	1,933,038	-	-	1,525	2,593,155	1,514,082
Reserved by State statute	175,048	1,814,010	15,797	7,304,714	33,874	9,343,443	518,190
Unreserved:							
Designated for capital projects	4,903,130	-	-	-	2,322,418	7,225,548	7,322,500
Designated for subsequent years' expenditures	-	1,918,098	-	-	-	1,918,098	-
Undesignated	<u>-</u>	<u>811,716</u>	<u>933,538</u>	<u>-</u>	<u>-</u>	<u>1,745,254</u>	<u>1,982,065</u>
Total fund balances	<u>5,736,770</u>	<u>6,476,862</u>	<u>949,335</u>	<u>7,304,714</u>	<u>2,357,817</u>	<u>22,825,498</u>	<u>11,336,837</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 7,402,157</u>	<u>\$ 6,565,500</u>	<u>\$ 1,145,939</u>	<u>\$ 7,304,714</u>	<u>\$ 2,357,817</u>	<u>\$ 24,776,127</u>	<u>\$ 12,689,615</u>

MECKLENBURG COUNTY, NORTH CAROLINA
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2000
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 1999

	Capital Reserve	Storm Water Management	Law Enforcement Service District	Transit One-Half Cent Sales Tax	Additional One-Half Cent Sales Tax	Totals	
						2000	1999
REVENUES:							
General property tax - current	\$ 1,257,000	\$ -	\$ -	\$ -	\$ -	\$ 1,257,000	\$ 1,402,498
Law Enforcement Service District taxes	-	-	5,196,753	-	-	5,196,753	7,452,099
Transit one-half cent sales tax	-	-	-	32,870,856	-	32,870,856	-
Charges for services	201,665	7,329,510	-	-	-	7,531,175	6,931,271
Interest earned on investments	-	267,787	47,470	-	139,883	455,140	291,458
Intergovernmental	-	62,990	119,982	-	-	182,972	162,070
Other	31,748	3,026	-	-	-	34,774	4,490
Total Revenues	1,490,413	7,663,313	5,364,205	32,870,856	139,883	47,528,670	16,243,886
EXPENDITURES:							
Regulatory and Operational Services	-	4,402,836	-	-	-	4,402,836	4,824,931
Government Relations	-	-	-	25,566,142	-	25,566,142	-
Law Enforcement Services	-	-	4,757,945	-	-	4,757,945	7,626,653
Capital outlay	3,949,535	-	-	-	500	3,950,035	3,651,734
Total Expenditures	3,949,535	4,402,836	4,757,945	25,566,142	500	38,676,958	16,103,318
REVENUES OVER (UNDER) EXPENDITURES	(2,459,122)	3,260,477	606,260	7,304,714	139,383	8,851,712	140,568
OTHER FINANCING SOURCES :							
Operating transfers from General fund:	2,647,489	-	-	-	-	2,647,489	1,630,114
Operating transfers from Internal Service fund:	455,543	-	-	-	-	455,543	-
Total Other Financing Sources	3,103,032	-	-	-	-	3,103,032	1,630,114
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	643,910	3,260,477	606,260	7,304,714	139,383	11,954,744	1,770,682
FUND BALANCES - BEGINNING OF FISCAL YEAR AS PREVIOUSLY STATED	5,558,943	3,216,385	343,075	-	2,218,434	11,336,837	9,566,155
RECLASSIFICATION	(466,083)	-	-	-	-	(466,083)	-
FUND BALANCES - BEGINNING OF FISCAL YEAR AS RESTATED	5,092,860	3,216,385	343,075	-	2,218,434	10,870,754	9,566,155
FUND BALANCES - END OF FISCAL YEAR	\$ 5,736,770	\$ 6,476,862	\$ 949,335	\$ 7,304,714	\$ 2,357,817	\$22,825,498	\$11,336,837

MECKLENBURG COUNTY, NORTH CAROLINA
SPECIAL REVENUE FUND - CAPITAL RESERVE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2000
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 1999

	<u>2000</u>		<u>1999</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
REVENUES:			
General property tax - current	\$1,257,000	\$1,257,000	\$1,402,498
Charges for services	140,000	201,665	121,960
Interest earned on investments	-	-	25,521
Other	-	31,748	3,785
Total Revenues	<u>1,397,000</u>	<u>1,490,413</u>	<u>1,553,764</u>
EXPENDITURES:			
Capital outlay	<u>8,547,964</u>	<u>3,949,535</u>	<u>3,601,734</u>
REVENUES UNDER EXPENDITURES	<u>(7,150,964)</u>	<u>(2,459,122)</u>	<u>(2,047,970)</u>
OTHER FINANCING SOURCES:			
Operating transfers from General Fund	2,647,489	2,647,489	1,630,114
Operating transfers from Internal Service Fund	455,543	455,543	-
Appropriated fund balance	<u>4,047,932</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources	<u>7,150,964</u>	<u>3,103,032</u>	<u>1,630,114</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	<u>\$ -</u>	643,910	(417,856)
FUND BALANCE - BEGINNING OF FISCAL YEAR AS PREVIOUSLY STATED		5,558,943	5,976,799
RECLASSIFICATION		<u>(466,083)</u>	<u>-</u>
FUND BALANCE - BEGINNING OF FISCAL YEAR AS RESTATED		<u>5,092,860</u>	<u>5,976,799</u>
FUND BALANCE - END OF FISCAL YEAR		<u>\$5,736,770</u>	<u>\$5,558,943</u>

MECKLENBURG COUNTY, NORTH CAROLINA
SPECIAL REVENUE FUND - STORM WATER MANAGEMENT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2000
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 1999

	2000		1999
	Budget	Actual	Actual
REVENUES:			
Charges for services	\$ 6,994,201	\$7,329,510	\$ 6,809,311
Interest earned on investments	-	267,787	108,120
Intergovernmental:			
Federal	8,099,188	57,550	-
State	2,515,253	-	-
Local	-	5,440	-
Other	314,600	3,026	705
Total Revenues	17,923,242	7,663,313	6,918,136
EXPENDITURES:			
Regulatory and Operational Services:			
Storm Water	16,985,936	2,362,396	2,687,588
Debt Service:			
Principal retirement - bonds	1,191,900	1,190,905	1,213,142
Interest	850,500	849,535	924,201
Total Expenditures	19,028,336	4,402,836	4,824,931
REVENUES OVER (UNDER) EXPENDITURES	(1,105,094)	3,260,477	2,093,205
OTHER FINANCING SOURCES:			
Appropriated fund balance	1,105,094	-	-
Total Other Financing Sources:	1,105,094	-	-
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	\$ -	3,260,477	2,093,205
FUND BALANCE - BEGINNING OF FISCAL YEAR		3,216,385	1,123,180
FUND BALANCE - END OF FISCAL YEAR		\$6,476,862	\$ 3,216,385

MECKLENBURG COUNTY, NORTH CAROLINA
SPECIAL REVENUE FUND - LAW ENFORCEMENT SERVICE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2000
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 1999

	<u>2000</u>		<u>1999</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
REVENUES:			
Law Enforcement Service District taxes	\$ 4,693,884	\$5,196,753	\$ 7,452,099
Interest earned on investments	-	47,470	36,703
Intergovernmental - State	64,062	119,982	162,070
	<u>4,757,946</u>	<u>5,364,205</u>	<u>7,650,872</u>
Total Revenues			
EXPENDITURES:			
Law Enforcement Services	4,757,946	4,757,945	7,626,653
	<u>4,757,946</u>	<u>4,757,945</u>	<u>7,626,653</u>
REVENUES OVER EXPENDITURES	<u>\$ -</u>	606,260	24,219
FUND BALANCE - BEGINNING OF FISCAL YEAR		<u>343,075</u>	<u>318,856</u>
FUND BALANCE - END OF FISCAL YEAR		<u>\$ 949,335</u>	<u>\$ 343,075</u>

MECKLENBURG COUNTY, NORTH CAROLINA
 SPECIAL REVENUE FUND - TRANSIT ONE-HALF CENT SALES TAX
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2000

	2000	
	Budget	Actual
REVENUES:		
Transit one-half cent sales tax	\$ 25,566,142	\$32,870,856
Total Revenues	25,566,142	32,870,856
EXPENDITURES:		
Government Relations:		
Payments to the City of Charlotte	25,566,142	25,566,142
REVENUES OVER EXPENDITURES	\$ -	7,304,714
FUND BALANCE - BEGINNING OF FISCAL YEAR		-
FUND BALANCE - END OF FISCAL YEAR		\$ 7,304,714

MECKLENBURG COUNTY, NORTH CAROLINA
SPECIAL REVENUE FUND - ADDITIONAL ONE-HALF CENT SALES TAX
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2000

	Project Authorization	Prior Years'	Actual Current Year	Total to Date
REVENUES:				
Additional one-half cent sales tax	\$ 2,842,095	\$2,842,095	\$ -	\$ 2,842,095
Interest earned on investments	500,785	1,565,056	139,883	1,704,939
Other	-	29,930	-	29,930
Total Revenues	<u>3,342,880</u>	<u>4,437,081</u>	<u>139,883</u>	<u>4,576,964</u>
EXPENDITURES:				
Capital outlay	<u>1,962,131</u>	<u>837,898</u>	<u>500</u>	<u>838,398</u>
REVENUES OVER EXPENDITURES	1,380,749	3,599,183	139,383	3,738,566
OTHER FINANCING USES:				
Operating transfers to other funds	<u>(1,380,749)</u>	<u>(1,380,749)</u>	<u>-</u>	<u>(1,380,749)</u>
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	<u>\$ -</u>	<u>\$2,218,434</u>	139,383	<u>2,357,817</u>
FUND BALANCE - BEGINNING OF FISCAL YEAR			<u>2,218,434</u>	
FUND BALANCE - END OF FISCAL YEAR			<u>\$2,357,817</u>	

Capital Projects Funds

The Capital Projects Funds account for the proceeds of bond issues and all other resources used for the purpose of constructing, reconstructing or acquiring permanent or semi-permanent capital improvements. These funds are used to provide a formal mechanism to ensure that designated revenues are applied only to their intended purposes. (Individual fund descriptions are on the next page.)

Capital Projects Funds

CORPORATE SUPPORT SERVICES

County Buildings: Accounts for construction of and renovations to various County buildings.

Land: Accounts for acquisition of land for County purposes.

REGULATORY AND OPERATIONAL SERVICES

Community Development: Accounts for Community Development funds used for improvements to specified neighborhoods and water and sewer improvements in areas which currently are not part of the systems.

Flood Control: Accounts for flood control, storm water and detention projects.

Historic Preservation: Accounts for acquisition and renovation of various historic facilities.

COMMUNITY SERVICES

Park and Recreational Facilities: Accounts for park projects including greenways, neighborhood parks, district parks, purchase of land, park construction, restoration and improvements to various parks.

Library Facilities: Accounts for construction, installation of furnishings and equipment and the acquisition of land for library facilities.

PUBLIC SAFETY AND COURT SUPPORT SERVICES

Jail/Detention Facilities: Accounts for construction of jail and detention facilities.

GOVERNMENT RELATIONS

Community College Facilities: Accounts for construction of Central Piedmont Community College facilities.

School Facilities: Accounts for construction and renovation of school facilities, including acquisition and installation of furnishings and equipment and the acquisition of land.

CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2000
WITH COMPARATIVE TOTALS FOR JUNE 30, 1999

	1986 Public Improvement	1989A Public Improvement	1989B Public Improvement	1990 Public Improvement	1991B Public Improvement	1993 Public Improvement	1994 Public Improvement	1996A Public Improvement	1996B Public Improvement	1998A Public Improvement	1998B Public Improvement	1998C Variable Rate	2000A Public Improvement	2000B Public Improvement	2000C Variable Rate	School Certificates of Participation	Other Capital Funding	Totals	
																		June 30, 2000	June 30, 1999
<u>ASSETS</u>																			
Cash and investments	\$ 135,523	\$ 19,174	\$ 814,972	\$ 80,871	\$ 271,421	\$ 2,014,798	\$ 405,795	\$ 1,837,503	\$ 115,697	\$ 15,310,033	\$ 69,664,296	\$ 16,483,137	\$ 25,699,390	#####	\$ 43,445,466	#####	\$ 6,435,990	\$ 218,701,219	\$ 202,924,236
Accounts receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	54,144	54,144	66,768
Advances to other governmental agencies	-	-	-	-	-	-	-	-	-	-	811,970	-	-	-	-	-	-	811,970	157,457
Due from other funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	153,143
Total Assets	<u>\$ 135,523</u>	<u>\$ 19,174</u>	<u>\$ 814,972</u>	<u>\$ 80,871</u>	<u>\$ 271,421</u>	<u>\$ 2,014,798</u>	<u>\$ 405,795</u>	<u>\$ 1,837,503</u>	<u>\$ 115,697</u>	<u>\$ 15,310,033</u>	<u>\$ 70,476,266</u>	<u>\$ 16,483,137</u>	<u>\$ 25,699,390</u>	<u>#####</u>	<u>\$ 43,445,466</u>	<u>#####</u>	<u>\$ 6,490,134</u>	<u>\$ 219,567,333</u>	<u>\$ 203,301,604</u>
<u>LIABILITIES AND FUND BALANCES (DEFICITS)</u>																			
Liabilities:																			
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 2,532	\$ -	\$ 691	\$ -	\$ 646	\$ 219	\$ 32,787	\$ 114,024	\$ 4,782,984	\$ 244,998	\$ 196,040	\$ 218,993	\$ 1,565,353	\$ 176,018	\$ 3,608,732	\$ 10,944,017	\$ 7,411,571
Due to other funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	153,143
Total Liabilities	<u>-</u>	<u>-</u>	<u>2,532</u>	<u>-</u>	<u>691</u>	<u>-</u>	<u>646</u>	<u>219</u>	<u>32,787</u>	<u>114,024</u>	<u>4,782,984</u>	<u>244,998</u>	<u>196,040</u>	<u>218,993</u>	<u>1,565,353</u>	<u>176,018</u>	<u>3,608,732</u>	<u>10,944,017</u>	<u>7,564,714</u>
Fund Balances (Deficits):																			
Reserved for encumbrances	135,523	3,050	263,344	74,771	263,547	2,121	175,986	139,841	82,910	1,022,335	6,560,044	-	1,425,190	10,541,508	10,586,462	-	788,120	32,064,752	48,701,870
Reserved by State statute	-	-	-	-	-	-	-	-	-	-	811,970	-	-	-	-	-	54,144	866,114	224,225
Unreserved:																			
Designated	-	16,124	549,096	6,100	7,183	2,012,677	229,163	1,697,443	-	14,173,674	58,321,268	16,238,139	24,078,160	1,199,892	31,293,651	23,830,742	-	173,653,312	170,031,562
Undesignated	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,039,138	2,039,138	(23,220,767)
Total Fund Balances	<u>135,523</u>	<u>19,174</u>	<u>812,440</u>	<u>80,871</u>	<u>270,730</u>	<u>2,014,798</u>	<u>405,149</u>	<u>1,837,284</u>	<u>82,910</u>	<u>15,196,009</u>	<u>65,693,282</u>	<u>16,238,139</u>	<u>25,503,350</u>	<u>11,741,400</u>	<u>41,880,113</u>	<u>23,830,742</u>	<u>2,881,402</u>	<u>208,623,316</u>	<u>195,736,890</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 135,523</u>	<u>\$ 19,174</u>	<u>\$ 814,972</u>	<u>\$ 80,871</u>	<u>\$ 271,421</u>	<u>\$ 2,014,798</u>	<u>\$ 405,795</u>	<u>\$ 1,837,503</u>	<u>\$ 115,697</u>	<u>\$ 15,310,033</u>	<u>\$ 70,476,266</u>	<u>\$ 16,483,137</u>	<u>\$ 25,699,390</u>	<u>#####</u>	<u>\$ 43,445,466</u>	<u>#####</u>	<u>\$ 6,490,134</u>	<u>\$ 219,567,333</u>	<u>\$ 203,301,604</u>

MECKLENBURG COUNTY, NORTH CAROLINA
CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2000

	1986 Public Improvement	1989A Public Improvement	1989B Public Improvement	1990 Public Improvement	1991B Public Improvement	1993 Public Improvement	1994 Public Improvement	1996A Public Improvement	1996B Public Improvement	1998A Public Improvement	1998B Public Improvement	1998C Variable Rate	2000A Public Improvement	2000B Public Improvement	2000C Variable Rate	School Certificates of Participation	Other Capital Funding	Totals
Project Authorization	\$39,000,000	\$ 7,200,000	\$37,800,000	\$83,384,000	\$53,000,000	\$18,400,000	\$196,215,000	\$22,000,000	\$225,895,000	\$31,000,000	\$257,050,000	\$ 50,000,000	\$34,000,000	\$20,000,000	\$ 50,000,000	\$ 50,000,000	\$ 78,857,764	\$ 1,253,801,764
Prior Years' Revenues	39,000,000	7,200,000	37,800,000	83,384,000	53,000,000	18,400,000	196,215,000	22,000,000	225,895,000	31,000,000	257,050,000	50,000,000	-	-	-	-	28,136,575	1,049,080,575
Prior Years' Expenditures	38,860,627	7,180,826	36,954,301	83,276,379	52,550,318	16,347,103	195,618,965	19,773,782	225,218,832	9,909,690	122,061,054	16,836,996	-	257,106	-	-	28,497,706	853,343,685
Fund Balances (Deficits) July 1, 1999	139,373	19,174	845,699	107,621	449,682	2,052,897	596,035	2,226,218	676,168	21,090,310	134,988,946	33,163,004	-	(257,106)	-	-	(361,131)	195,736,890
REVENUES:																		
Intergovernmental:																		
Intergovernmental - Federal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	920,755	920,755
Intergovernmental - State	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	36,102,691	36,102,691
Other Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	118,415	118,415
Total Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	37,141,861	37,141,861
EXPENDITURES:																		
Corporate Support Services																		
County Buildings	-	-	-	-	-	1,691	-	24,975	-	2,547,308	-	-	119,397	-	-	-	27	2,693,398
Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,240,461	-	-	3,240,461
Regulatory and Operational Services																		
Community Development	3,850	-	22,254	-	-	-	-	-	-	-	-	-	-	-	-	-	649,862	675,966
Flood Control	-	-	-	15,716	-	-	52,904	-	-	-	1,207,860	-	-	-	-	-	-	1,276,480
Historic Preservation	-	-	-	-	-	-	-	-	-	-	-	-	-	289,725	-	-	54,900	344,625
Community Services																		
Park and Recreational Facilities	-	-	11,005	11,034	178,952	-	137,861	349,202	464,122	2,548,708	6,225,840	-	5,165,649	-	-	-	405,336	15,497,709
Library Facilities	-	-	-	-	-	36,408	-	-	129,136	798,285	-	-	2,727,579	-	25,801	-	-	3,717,209
Public Safety and Court Support Services																		
Jail/Detention Facilities	-	-	-	-	-	-	121	14,757	-	-	12,030,861	-	484,025	7,711,769	3,604,685	-	12,483	23,858,701
Government Relations																		
Community College Facilities	-	-	-	-	-	-	-	-	-	-	6,656,969	-	-	-	1,248,940	-	-	7,905,909
School Facilities	-	-	-	-	-	-	-	-	-	-	43,174,134	16,924,865	-	-	-	1,169,258	32,776,720	94,044,977
Total Expenditures	3,850	-	33,259	26,750	178,952	38,099	190,886	388,934	593,258	5,894,301	69,295,664	16,924,865	8,496,650	8,001,494	8,119,887	1,169,258	33,899,328	153,255,435
REVENUES UNDER EXPENDITURES	(3,850)	-	(33,259)	(26,750)	(178,952)	(38,099)	(190,886)	(388,934)	(593,258)	(5,894,301)	(69,295,664)	(16,924,865)	(8,496,650)	(8,001,494)	(8,119,887)	(1,169,258)	3,242,533	(116,113,574)
OTHER FINANCING SOURCES:																		
Proceeds from sale of Certificates of Participation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25,000,000	-	25,000,000
Proceeds from sale of Bonds	-	-	-	-	-	-	-	-	-	-	-	-	34,000,000	20,000,000	50,000,000	-	-	104,000,000
FUND BALANCES JUNE 30, 2000	\$ 135,523	\$ 19,174	\$ 812,440	\$ 80,871	\$ 270,730	\$ 2,014,798	\$ 405,149	\$ 1,837,284	\$ 82,910	\$15,196,009	\$ 65,693,282	\$ 16,238,139	\$25,503,350	\$ 11,741,400	\$ 41,880,113	\$ 23,830,742	\$ 2,881,402	\$ 208,623,316

MECKLENBURG COUNTY, NORTH CAROLINA
GRANTS PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Favorable (Unfavorable)
REVENUES:					
Community Development					
Block Grant # 96-C-0214	<u>\$785,175</u>	<u>\$255,534</u>	<u>\$446,122</u>	<u>\$701,656</u>	<u>\$ 83,519</u>
EXPENDITURES:					
Clearance	48,000	33,401	12,550	45,951	2,049
Relocation	627,000	217,792	340,615	558,407	68,593
Rehabilitation	50,000	600	56,539	57,139	(7,139)
Administration	60,175	3,741	36,418	40,159	20,016
Total Expenditures	<u>785,175</u>	<u>255,534</u>	<u>446,122</u>	<u>701,656</u>	<u>83,519</u>
REVENUE OVER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
REVENUES:					
Community Development					
Block Grant # 98-C-0457	<u>\$400,000</u>	<u>\$ 8,081</u>	<u>\$120,801</u>	<u>\$128,882</u>	<u>\$271,118</u>
EXPENDITURES:					
Relocation	396,000	8,081	119,176	127,257	268,743
Administration	4,000	-	1,625	1,625	2,375
Total Expenditures	<u>400,000</u>	<u>8,081</u>	<u>120,801</u>	<u>128,882</u>	<u>271,118</u>
REVENUE OVER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCE - BEGINNING OF FISCAL YEAR				-	
FUND BALANCE - END OF FISCAL YEAR				<u>\$ -</u>	

Enterprise Fund

The Solid Waste Enterprise Fund is intended to be self-supporting through user fees and recycling sales, and accounts for activities relating to recycling and landfill facilities.

MECKLENBURG COUNTY, NORTH CAROLINA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2000 AND 1999

<u>ASSETS</u>	<u>2000</u>	<u>1999</u>
Current Assets:		
Cash and temporary investments	\$ 8,173,893	\$ 7,518,344
Accrued interest receivable	116,178	79,804
Accounts receivable	4,383,770	2,194,253
Total Current Assets	<u>12,673,841</u>	<u>9,792,401</u>
Restricted Assets:		
Cash and temporary investments	<u>3,687,549</u>	<u>6,979,544</u>
Fixed Assets:		
Land and improvements	27,768,360	18,903,559
Buildings and improvements	6,451,256	6,449,465
Vehicles and heavy equipment	3,264,443	2,228,518
Furniture, machinery and equipment	430,415	435,712
Construction-in-progress	1,844,460	7,370,834
	<u>39,758,934</u>	<u>35,388,088</u>
Less: accumulated depreciation	<u>(3,882,243)</u>	<u>(3,224,889)</u>
Total Fixed Assets, Net	<u>35,876,691</u>	<u>32,163,199</u>
 TOTAL ASSETS	 <u><u>\$52,238,081</u></u>	 <u><u>\$48,935,144</u></u>
 <u>LIABILITIES AND FUND EQUITY</u>		
Liabilities:		
Current:		
Accounts payable and accrued liabilities	\$ 1,583,999	\$ 1,434,388
Capital leases	174,426	-
Bonds payable	2,158,978	2,118,898
Total current liabilities	<u>3,917,403</u>	<u>3,553,286</u>
Long-term:		
Accrued landfill development and postclosure care costs	200,088	-
Accrued vacation and sick leave	314,875	202,812
Capital leases	697,703	-
Bonds payable	15,971,389	18,104,378
Total long-term liabilities	<u>17,184,055</u>	<u>18,307,190</u>
Total Liabilities	<u>21,101,458</u>	<u>21,860,476</u>
Fund Equity:		
Contributions to equity	32,509,898	32,352,102
Deficit	(1,373,275)	(5,277,434)
Total Fund Equity	<u>31,136,623</u>	<u>27,074,668</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u><u>\$52,238,081</u></u>	 <u><u>\$48,935,144</u></u>

MECKLENBURG COUNTY, NORTH CAROLINA
SOLID WASTE ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
FOR THE YEAR ENDED JUNE 30, 2000
WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED JUNE 30, 1999

	<u>2000</u>	<u>1999</u>
OPERATING REVENUES:		
Charges for services	\$ 22,677,739	\$17,391,053
Recycling sales	1,683,147	1,355,485
Insurance reimbursement	-	90,842
Other	<u>10,269</u>	<u>4,736</u>
TOTAL OPERATING REVENUES	<u>24,371,155</u>	<u>18,842,116</u>
OPERATING EXPENSES:		
Personal services and employee benefits	2,497,373	1,836,956
Utilities	76,489	87,587
Supplies	278,896	143,754
Depreciation	662,649	579,927
Maintenance and repairs	351,661	310,387
Rental and occupancy charges	87,734	69,964
Contractual services	21,584,850	18,011,562
Final development and postclosure costs	200,088	-
Other	<u>8,868</u>	<u>3,482</u>
TOTAL OPERATING EXPENSES	<u>25,748,608</u>	<u>21,043,619</u>
OPERATING LOSS	<u>(1,377,453)</u>	<u>(2,201,503)</u>
NON-OPERATING REVENUES (EXPENSES):		
Sales tax	5,574,517	5,342,063
Interest income	402,574	327,240
Interest expense	(1,075,122)	(1,167,998)
Net gain on disposal of fixed assets	13,885	370,165
Amortization of refunding amount	<u>(100,325)</u>	<u>(100,325)</u>
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>4,815,529</u>	<u>4,771,145</u>
NET INCOME	3,438,076	2,569,642
DEFICIT- BEGINNING OF FISCAL YEAR AS PREVIOUSLY STATED	(5,277,434)	(7,847,076)
RECLASSIFICATION	<u>466,083</u>	<u>-</u>
DEFICIT- BEGINNING OF FISCAL YEAR RESTATED	(4,811,351)	(7,847,076)
DEFICIT - END OF FISCAL YEAR	<u><u>\$ (1,373,275)</u></u>	<u><u>\$ (5,277,434)</u></u>

MECKLENBURG COUNTY, NORTH CAROLINA
SOLID WASTE ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2000
WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED JUNE 30, 1999

	2000	1999
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from users	\$ 23,575,267	\$ 19,045,811
Cash paid to suppliers	(22,218,808)	(19,193,895)
Cash paid to employees	(2,440,244)	(1,805,227)
	<u>(1,083,785)</u>	<u>(1,953,311)</u>
Net cash used by operating activities		
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Sales tax	4,180,888	5,342,063
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Principal payments-bonds	(2,193,234)	(2,327,669)
Interest paid	(1,075,122)	(1,167,998)
Proceeds from sale of fixed assets	13,885	370,165
Acquisition of fixed assets	(3,311,361)	(3,933,878)
	<u>(6,565,832)</u>	<u>(7,059,380)</u>
Net cash used by capital and related financing activities		
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received	372,188	321,135
NET DECREASE IN CASH AND INVESTMENTS	(3,096,541)	(3,349,493)
CASH AND INVESTMENTS - BEGINNING OF FISCAL YEAR AS PREVIOUSLY STATED	14,497,888	17,847,381
RECLASSIFICATION	460,095	-
CASH AND INVESTMENTS - BEGINNING OF FISCAL YEAR AS RESTATED	<u>14,957,983</u>	<u>17,847,381</u>
CASH AND INVESTMENTS - END OF FISCAL YEAR	<u>\$ 11,861,442</u>	<u>\$ 14,497,888</u>

Reconciliation of Operating Loss to Net Cash Used by Operating Activities

Operating Loss	\$ (1,377,453)	\$ (2,201,503)
Adjustments:		
Depreciation	662,649	579,927
Landfill final development & postclosure care costs	200,088	-
(Increase) decrease - accounts receivable	(795,888)	203,695
Increase (decrease) - accounts payable	114,756	(548,941)
Increase - accrued vacation and sick leave	112,063	13,511
	<u>(1,083,785)</u>	<u>(1,953,311)</u>
Net cash used by operating activities		

Noncash Investing, Capital and Financing Activities

Contributions from General Fixed Assets Account Group	\$157,796
Amortization of refunding amount	100,325
Acquisition of fixed assets by incurrence of accounts payable	92,143
Acquisition of fixed assets by capital leases	872,129

MECKLENBURG COUNTY, NORTH CAROLINA
SOLID WASTE ENTERPRISE FUND
SCHEDULE OF REVENUES AND EXPENSES - BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2000
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 1999

	2000		1999
	Budget	Actual	Actual
OPERATING REVENUES:			
Charges for services	\$21,970,878	\$ 22,677,739	\$ 17,391,053
Recycling sales	994,880	1,683,147	1,355,485
Insurance reimbursement	-	-	90,842
Other	-	10,269	4,736
TOTAL OPERATING REVENUES	<u>22,965,758</u>	<u>24,371,155</u>	<u>18,842,116</u>
OPERATING EXPENSES:			
Personal services and employee benefits	2,745,058	2,497,373	1,836,956
Utilities	86,545	76,489	87,587
Supplies	285,908	278,896	143,754
Maintenance and repairs	370,350	351,661	310,387
Rental and occupancy charges	107,873	87,734	69,964
Contractual services	21,909,603	21,584,850	18,011,562
Other	8,890	8,868	3,482
TOTAL OPERATING EXPENSES	<u>25,514,227</u>	<u>24,885,871</u>	<u>20,463,692</u>
OPERATING INCOME (LOSS)	<u>(2,548,469)</u>	<u>(514,716)</u>	<u>(1,621,576)</u>
NON-OPERATING REVENUES (EXPENSES):			
Sales tax	5,574,517	5,574,517	5,342,063
Interest income	350,000	402,574	327,240
Interest expense	(1,076,000)	(1,075,122)	(1,167,998)
Transfer to landfill reserve fund	(200,088)	(200,088)	-
Capital outlay	(80,160)	(19,364)	(70,414)
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>4,568,269</u>	<u>4,682,517</u>	<u>4,430,891</u>
NET INCOME - MODIFIED ACCRUAL BASIS	<u>\$ 2,019,800</u>	4,167,801	2,809,315
RECONCILIATION TO FULL ACCRUAL BASIS			
Depreciation		(662,649)	(579,927)
Landfill final development & postclosure care costs		(200,088)	
Capital outlay		19,364	70,414
Transfer to landfill reserve fund		200,088	
Gain (loss) on sale of fixed assets		13,885	370,165
Amortization of refunding amount		(100,325)	(100,325)
NET INCOME - FULL ACCRUAL BASIS		<u>\$ 3,438,076</u>	<u>\$ 2,569,642</u>

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MECKLENBURG COUNTY, NORTH CAROLINA
 LANDFILL FINAL DEVELOPMENT AND POSTCLOSURE RESERVE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2000

	Project Authorization	Prior Years'	Actual Current Year	Total to Date
REVENUES:				
Interest earned on investments	\$ 68,733	\$ 529,577	\$ 30,759	\$ 560,336
EXPENDITURES:				
Final development and postclosure costs	<u>1,858,821</u>	<u>1,653,494</u>	<u>200,088</u>	<u>1,853,582</u>
REVENUES UNDER EXPENDITURES	(1,790,088)	(1,123,917)	(169,329)	(1,293,246)
OTHER FINANCING SOURCES:				
Operating transfers from landfill fund	<u>1,790,088</u>	<u>1,590,000</u>	<u>200,088</u>	<u>1,790,088</u>
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	<u>\$ -</u>	<u>\$ 466,083</u>	30,759	<u>\$ 496,842</u>
FUND BALANCE - BEGINNING OF FISCAL YEAR			<u>466,083</u>	
FUND BALANCE - END OF FISCAL YEAR			<u>\$ 496,842</u>	

Internal Service Funds

The Internal Service Funds account for goods and services provided by a department to other departments or governmental agencies on a cost reimbursement basis. Funds have been established for General Services Administration, which is a consolidation of Building and Grounds Maintenance, Fleet Management and Security Services, and Information Services & Technology in which Radio Services is consolidated.

MECKLENBURG COUNTY, NORTH CAROLINA
INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2000
WITH COMPARATIVE TOTALS FOR JUNE 30, 1999

	General Services Administration	Information Services & Technology	Totals	
			2000	1999
<u>ASSETS</u>				
Current Assets:				
Cash and investments	\$ 3,542,432	\$ 473,564	\$ 4,015,996	\$ 7,029,057
Accrued interest receivable	65,507	3,509	69,016	93,490
Accounts receivable	58,684	137,781	196,465	39,990
Inventory	102,663	-	102,663	112,154
Total Current Assets	<u>3,769,286</u>	<u>614,854</u>	<u>4,384,140</u>	<u>7,274,691</u>
Fixed Assets:				
Land and improvements	211,197	-	211,197	211,197
Buildings and improvements	2,932,541	303,290	3,235,831	3,204,371
Vehicles and heavy equipment	15,518,016	-	15,518,016	13,073,109
Furniture, machinery and equipment	106,098	12,908,160	13,014,258	12,562,688
	<u>18,767,852</u>	<u>13,211,450</u>	<u>31,979,302</u>	<u>29,051,365</u>
Less: accumulated depreciation	<u>(9,841,429)</u>	<u>(8,839,356)</u>	<u>(18,680,785)</u>	<u>(16,782,417)</u>
Total Fixed Assets, Net	<u>8,926,423</u>	<u>4,372,094</u>	<u>13,298,517</u>	<u>12,268,948</u>
TOTAL ASSETS	<u>\$12,695,709</u>	<u>\$ 4,986,948</u>	<u>\$17,682,657</u>	<u>\$ 19,543,639</u>
<u>LIABILITIES AND FUND EQUITY</u>				
Liabilities:				
Current:				
Accounts payable and accrued liabilities	\$ 491,749	\$ 392,570	\$ 884,319	\$ 1,311,498
Capital leases	-	428,866	428,866	986,447
Total current liabilities	<u>491,749</u>	<u>821,436</u>	<u>1,313,185</u>	<u>2,297,945</u>
Long-term:				
Accrued vacation and sick leave	462,057	601,919	1,063,976	1,016,259
Capital leases	-	95,338	95,338	524,078
Total long-term liabilities	<u>462,057</u>	<u>697,257</u>	<u>1,159,314</u>	<u>1,540,337</u>
Total Liabilities	<u>953,806</u>	<u>1,518,693</u>	<u>2,472,499</u>	<u>3,838,282</u>
Fund Equity:				
Contributions to equity	5,485,056	1,412,606	6,897,662	6,684,591
Retained earnings	<u>6,256,847</u>	<u>2,055,649</u>	<u>8,312,496</u>	<u>9,020,766</u>
Total Fund Equity	<u>11,741,903</u>	<u>3,468,255</u>	<u>15,210,158</u>	<u>15,705,357</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$12,695,709</u>	<u>\$ 4,986,948</u>	<u>\$17,682,657</u>	<u>\$ 19,543,639</u>

MECKLENBURG COUNTY, NORTH CAROLINA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
FOR THE YEAR ENDED JUNE 30, 2000
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 1999

	General Services Administration	Information Services & Technology	Totals	
			2000	1999
OPERATING REVENUES:				
Charges for services	\$ 12,479,167	\$ 12,912,727	\$ 25,391,894	\$ 22,322,564
Reimbursements:				
Insured damages	33,422	2,940	36,362	73,288
Postage	285,352	-	285,352	222,052
Rentals of real estate and equipment	174,582	-	174,582	629,186
Other	285	6,478	6,763	15,258
TOTAL OPERATING REVENUES	<u>12,972,808</u>	<u>12,922,145</u>	<u>25,894,953</u>	<u>23,262,348</u>
OPERATING EXPENSES:				
Personal services and employee benefits	3,767,519	6,063,172	9,830,691	9,183,109
Utilities	1,456,669	263,958	1,720,627	1,681,858
Supplies	1,605,030	642,664	2,247,694	2,015,857
Depreciation	1,539,236	849,972	2,389,208	2,202,579
Maintenance and repairs	773,329	1,004,435	1,777,764	1,945,492
Insurance - other than group	197,349	-	197,349	185,564
Rental and occupancy charges	277,849	594,162	872,011	895,631
Contractual services	3,203,812	3,131,273	6,335,085	5,740,872
Other	168,464	81,109	249,573	256,502
TOTAL OPERATING EXPENSES	<u>12,989,257</u>	<u>12,630,745</u>	<u>25,620,002</u>	<u>24,107,464</u>
OPERATING INCOME (LOSS)	<u>(16,449)</u>	<u>291,400</u>	<u>274,951</u>	<u>(845,116)</u>
NON-OPERATING REVENUES (EXPENSES):				
Intergovernmental - Local	-	133,073	133,073	671,470
Interest income	188,498	9,862	198,360	291,199
Interest expense	-	(53,385)	(53,385)	(102,756)
Net gain (loss) on disposal of fixed assets	89,195	(8,893)	80,302	53,251
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>277,693</u>	<u>80,657</u>	<u>358,350</u>	<u>913,164</u>
INCOME BEFORE TRANSFERS	261,244	372,057	633,301	68,048
TRANSFERS FROM GENERAL FUND	96,917	17,055	113,972	1,003,054
TRANSFERS TO CAPITAL RESERVE FUND	<u>-</u>	<u>(455,543)</u>	<u>(455,543)</u>	<u>42,552</u>
NET INCOME (LOSS)	358,161	(66,431)	291,730	1,113,654
RETAINED EARNINGS - BEGINNING OF FISCAL YEAR	6,898,686	2,122,080	9,020,766	9,181,432
RESIDUAL EQUITY TRANSFER	<u>(1,000,000)</u>	<u>-</u>	<u>(1,000,000)</u>	<u>(1,274,320)</u>
RETAINED EARNINGS - END OF FISCAL YEAR	<u>\$ 6,256,847</u>	<u>\$ 2,055,649</u>	<u>\$ 8,312,496</u>	<u>\$ 9,020,766</u>

MECKLENBURG COUNTY, NORTH CAROLINA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2000
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 1999

	General Services Administration	Information Services & Technology	Totals	
			2000	1999
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from users	\$ 12,948,842	\$ 12,789,636	\$ 25,738,478	\$ 24,236,091
Cash paid to suppliers	(7,868,600)	(5,664,298)	(13,532,898)	(12,747,899)
Cash paid to employees	(3,886,498)	(6,181,369)	(10,067,867)	(9,230,487)
Net cash provided by operating activities	<u>1,193,744</u>	<u>943,969</u>	<u>2,137,713</u>	<u>2,257,705</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers	96,917	(438,488)	(341,571)	1,045,606
Intergovernmental revenue	-	133,073	133,073	671,470
Net cash provided (used) by noncapital financing activities	<u>96,917</u>	<u>(305,415)</u>	<u>(208,498)</u>	<u>1,717,076</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Principal payments-capital leases	-	(986,321)	(986,321)	(964,981)
Interest paid	-	(53,385)	(53,385)	(102,756)
Sale of fixed assets	169,868	-	169,868	177,056
Acquisition of fixed assets	(2,819,293)	(475,979)	(3,295,272)	(990,967)
Capital contributions	(1,000,000)	-	(1,000,000)	(1,274,320)
Net cash used by capital and related financing activities	<u>(3,649,425)</u>	<u>(1,515,685)</u>	<u>(5,165,110)</u>	<u>(3,155,968)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	<u>206,920</u>	<u>15,914</u>	<u>222,834</u>	<u>247,875</u>
NET INCREASE (DECREASE) IN CASH AND INVESTMENTS - BEGINNING OF FISCAL YEAR	<u>(2,151,844)</u>	<u>(861,217)</u>	<u>(3,013,061)</u>	<u>1,066,688</u>
CASH AND INVESTMENTS - END OF FISCAL YEAR	<u>5,694,276</u>	<u>1,334,781</u>	<u>7,029,057</u>	<u>5,962,369</u>
CASH AND INVESTMENTS - END OF FISCAL YEAR	<u>\$ 3,542,432</u>	<u>\$ 473,564</u>	<u>\$ 4,015,996</u>	<u>\$ 7,029,057</u>

Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities

Operating Income (Loss)	\$ (16,449)	\$ 291,400	\$ 274,951	\$ (845,116)
Adjustments:				
Depreciation	1,539,236	849,972	2,389,208	2,202,579
(Increase) decrease - accounts receivable	(23,966)	(132,509)	(156,475)	973,743
(Increase) decrease - inventory	9,491	-	9,491	(31,089)
Increase (decrease) - accounts payable	(310,577)	(116,602)	(427,179)	13,048
Increase (decrease) - accrued vacation and sick leave	(3,991)	51,708	47,717	(55,460)
Net cash provided by operating activities	<u>\$ 1,193,744</u>	<u>\$ 943,969</u>	<u>\$ 2,137,713</u>	<u>\$ 2,257,705</u>

Noncash Investing, Capital and Financing Activities

Contributions from General Fixed Assets Account Group	\$ 124,576	\$ 88,495
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Fiduciary Funds

Fiduciary Funds account for transactions related to assets held by the County as a trustee or agent for other governments, employees and other funds. (Individual fund descriptions are on the next page.)

Fiduciary Funds

AGENCY FUNDS

Municipalities' Taxes: Accounts for the collection of taxes for the City of Charlotte, and for room occupancy and vehicle taxes for the City of Charlotte and Towns of Cornelius, Davidson, Huntersville, Matthews, Mint Hill and Pineville.

Employees' Insurance: Accounts for employee and employer contributions for health, dental, life insurance, temporary disability income, employee assistance and flexible spending accounts. The County retains its funded reserves for health coverage and payments for health claims are made by the carriers and are funded from this reserve.

Fee Collection for State: Accounts for collection of state imposed fees for Register of Deeds and Building Standards Departments.

Food and Beverage Tax: Accounts for collection of taxes on prepared food and beverages which is remitted to the City of Charlotte.

Other: Accounts for various contributions which are held by the County in a fiduciary capacity.

EXPENDABLE TRUST FUNDS

School: Accounts for unspent school capital outlay appropriation of the General Fund remaining at year-end. This fund was established pursuant to a Board of County Commissioners' ordinance which specifically designates this amount for future school capital expenditures.

Scrap Tire Disposal: Accounts for funds designated for the disposal of scrap tires. This fund was established under provisions of North Carolina General Statutes.

Health and Fitness: Accounts for funds designated for improvements to the Health and Fitness Center.

Housing Authority: Accounts for funds designated for use by Stepping Stone, a program to encourage home ownership.

Sheriff: Accounts for funds received from concealed weapons permits and commissary revenues which are designated for use by the Sheriff.

Discarded White Goods: Accounts for funds designated for the management of discarded white goods.

Volunteers/Good Friends: Accounts for contributions designated for specific human services.

Other: Accounts for various expendable assets held in trust by the County.

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MECKLENBURG COUNTY, NORTH CAROLINA
 FIDUCIARY FUNDS - TRUST AND AGENCY
 COMBINING BALANCE SHEET
 JUNE 30, 2000
 WITH COMPARATIVE TOTALS FOR JUNE 30, 1999

ASSETS	Agency Funds					Expendable Trust Funds							Totals	
	Municipalities' Taxes	Employees' Insurance	Fee Collection for State	Food and Beverage Tax	Other	School	Scrap Tire Disposal	Health and Fitness	Sheriff	Discarded White Goods	Volunteers/ Good Friends	Other	2000	1999
Cash and investments	\$ 1,273,955	\$ 4,390,164	\$ 1,725,060	\$ 44,975	\$ 440,353	\$ 2,867,918	\$121,412	\$ 155,426	\$ 381,864	\$ 224,835	\$ 69,241	\$95,321	\$ 11,790,524	\$10,954,986
Accrued interest receivable	-	-	-	-	-	-	1,770	473	-	-	-	-	2,243	2,364
Accounts receivable	-	91	-	-	1,090	-	-	-	14,592	-	-	-	15,773	8,200
	<u>\$ 1,273,955</u>	<u>\$ 4,390,255</u>	<u>\$ 1,725,060</u>	<u>\$ 44,975</u>	<u>\$ 441,443</u>	<u>\$ 2,867,918</u>	<u>\$123,182</u>	<u>\$ 155,899</u>	<u>\$ 396,456</u>	<u>\$ 224,835</u>	<u>\$ 69,241</u>	<u>\$95,321</u>	<u>\$ 11,808,540</u>	<u>\$10,965,550</u>
<u>LIABILITIES AND FUND BALANCES</u>														
Liabilities:														
Accrued liabilities	\$ -	\$ 4,390,255	\$ -	\$ -	\$ 441,443	\$ -	\$ 42,910	\$ -	\$ 22,306	\$ 32,756	\$ -	\$ -	\$ 4,929,670	\$ 5,709,120
Due to other governmental agencies	<u>1,273,955</u>	<u>-</u>	<u>1,725,060</u>	<u>44,975</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,043,990</u>	<u>2,850,831</u>
Total Liabilities	<u>1,273,955</u>	<u>4,390,255</u>	<u>1,725,060</u>	<u>44,975</u>	<u>441,443</u>	<u>-</u>	<u>42,910</u>	<u>-</u>	<u>22,306</u>	<u>32,756</u>	<u>-</u>	<u>-</u>	<u>7,973,660</u>	<u>8,559,951</u>
Fund Balances:														
Reserved for encumbrances	-	-	-	-	-	-	-	220	12,642	51,139	-	-	64,001	44,457
Reserved by State statute	-	-	-	-	-	-	1,770	473	14,592	-	-	-	16,835	3,246
Unreserved:														
Designated for policy development and management support services	-	-	-	-	-	-	-	155,206	-	-	-	-	155,206	212,313
Designated for regulatory and operational services	-	-	-	-	-	-	78,502	-	-	140,940	-	51,193	270,635	603,167
Designated for community services	-	-	-	-	-	-	-	-	-	-	-	15,327	15,327	6,594
Designated for public safety and court support services	-	-	-	-	-	-	-	-	346,916	-	-	12,908	359,824	295,871
Designated for health and human services	-	-	-	-	-	-	-	-	-	-	69,241	15,893	85,134	168,423
Designated for government relations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,867,918</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,867,918</u>	<u>1,071,528</u>
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,867,918</u>	<u>80,272</u>	<u>155,899</u>	<u>374,150</u>	<u>192,079</u>	<u>69,241</u>	<u>95,321</u>	<u>3,834,880</u>	<u>2,405,599</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,273,955</u>	<u>\$ 4,390,255</u>	<u>\$ 1,725,060</u>	<u>\$ 44,975</u>	<u>\$ 441,443</u>	<u>\$ 2,867,918</u>	<u>\$123,182</u>	<u>\$ 155,899</u>	<u>\$ 396,456</u>	<u>\$ 224,835</u>	<u>\$ 69,241</u>	<u>\$95,321</u>	<u>\$ 11,808,540</u>	<u>\$10,965,550</u>

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MECKLENBURG COUNTY, NORTH CAROLINA
FIDUCIARY FUNDS - EXPENDABLE TRUST
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2000
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 1999

	School	Scrap Tire Disposal	Health and Fitness	Housing Authority	Sheriff	Discarded White Goods	Volunteers/ Good Friends	Other	Totals	
									2000	1999
REVENUES:										
Intergovernmental - State	\$ -	\$ 671,550	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 671,550	\$ 959,424
Intergovernmental - Local	-	-	-	62,184	-	-	-	-	62,184	-
Interest earned on investments	-	6,735	-	-	-	-	-	-	6,735	9,913
Donations	-	-	-	-	-	-	124,965	12,373	137,338	296,644
Other	-	-	50,253	-	248,471	116,654	-	17,934	433,312	320,965
Total Revenues	-	678,285	50,253	62,184	248,471	116,654	124,965	30,307	1,311,119	1,586,946
EXPENDITURES:										
Policy Development and Management										
Support Services	-	-	94,348	-	-	-	-	-	94,348	9,174
Regulatory and Operational Services	-	774,221	-	-	-	324,993	-	-	1,099,214	1,063,998
Community Services	-	-	-	-	-	-	-	19,175	19,175	47,942
Public Safety and Court Support Services	-	-	-	-	130,744	-	-	-	130,744	123,316
Health and Human Services	-	-	-	-	-	-	135,563	2,074	137,637	184
Government Relations	1,071,528	-	-	62,184	-	-	-	-	1,133,712	1,713,594
Total Expenditures	1,071,528	774,221	94,348	62,184	130,744	324,993	135,563	21,249	2,614,830	2,958,208
REVENUES OVER (UNDER) EXPENDITURES	(1,071,528)	(95,936)	(44,095)	-	117,727	(208,339)	(10,598)	9,058	(1,303,711)	(1,371,262)
OTHER FINANCING SOURCES (USES):										
Operating transfer from General Fund	2,867,918	-	13,553	-	-	-	-	-	2,881,471	1,082,259
Operating transfer to General Fund	-	-	(41,694)	-	(34,169)	-	(72,616)	-	(148,479)	(41,072)
Operating transfer to Internal Service Fund	-	-	-	-	-	-	-	-	-	(42,552)
Total Other Financing Sources (Uses)	2,867,918	-	(28,141)	-	(34,169)	-	(72,616)	-	2,732,992	998,635
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	1,796,390	(95,936)	(72,236)	-	83,558	(208,339)	(83,214)	9,058	1,429,281	(372,627)
FUND BALANCES - BEGINNING OF FISCAL YEAR	1,071,528	176,208	228,135	-	290,592	400,418	152,455	86,263	2,405,599	2,778,226
FUND BALANCES - END OF FISCAL YEAR	\$ 2,867,918	\$ 80,272	\$ 155,899	\$ -	\$ 374,150	\$ 192,079	\$ 69,241	\$ 95,321	\$ 3,834,880	\$ 2,405,599

MECKLENBURG COUNTY, NORTH CAROLINA
FIDUCIARY FUNDS - AGENCY
COMBINING SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES
FOR THE YEAR ENDED JUNE 30, 2000
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 1999

	Municipalities' Taxes	Employees' Insurance	Fee Collection for State	Food and Beverage Tax	Other	Totals	
						2000	1999
CASH AND INVESTMENTS - BEGINNING OF FISCAL YEAR	\$ 1,139,006	\$ 5,123,490	\$ 1,707,088	\$ 4,737	\$ 479,160	\$ 8,453,481	\$ 8,582,955
RECEIPTS:							
Employee and employer insurance contributions	-	9,083,050	-	-	-	9,083,050	8,823,115
Municipalities' Taxes	254,141,104	-	-	-	-	254,141,104	241,626,335
Contributions from individuals	-	-	-	-	1,600,267	1,600,267	1,811,107
Contributions from other governmental agencies	-	-	-	-	1,944	1,944	155,482
Collection of fees	-	-	6,442,871	-	-	6,442,871	6,359,805
Food and Beverage Tax	-	-	-	12,102,222	-	12,102,222	11,145,592
TOTAL RECEIPTS	254,141,104	9,083,050	6,442,871	12,102,222	1,602,211	283,371,458	269,921,436
TOTAL CASH AVAILABLE	255,280,110	14,206,540	8,149,959	12,106,959	2,081,371	291,824,939	278,504,391
DISBURSEMENTS:							
Collections for other governmental agencies	-	-	6,424,899	12,061,984	-	18,486,883	17,379,749
Health and Human Services	-	-	-	-	1,641,018	1,641,018	1,648,190
Public Safety and Court Support Services	-	-	-	-	-	-	287,645
Insurance carrier	-	9,816,376	-	-	-	9,816,376	8,622,314
Transfers of taxes to Municipalities	254,006,155	-	-	-	-	254,006,155	242,113,012
TOTAL DISBURSEMENTS	254,006,155	9,816,376	6,424,899	12,061,984	1,641,018	283,950,432	270,050,910
CASH AND TEMPORARY INVESTMENTS - END OF FISCAL YEAR	\$ 1,273,955	\$ 4,390,164	\$ 1,725,060	\$ 44,975	\$ 440,353	\$ 7,874,507	\$ 8,453,481

MECKLENBURG COUNTY, NORTH CAROLINA
FIDUCIARY FUNDS - AGENCY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2000

	Balance July 1, 1999	Additions	Deductions	Balance June 30, 2000
<u>MUNICIPALITIES' TAXES</u>				
<u>ASSETS</u>				
Cash and investments	\$ 1,139,006	\$ 254,141,104	\$ 254,006,155	\$ 1,273,955
<u>LIABILITIES</u>				
Due to municipalities	\$ 1,139,006	\$ 254,141,104	\$ 254,006,155	\$ 1,273,955
<u>EMPLOYEES' INSURANCE</u>				
<u>ASSETS</u>				
Cash and investments	\$ 5,123,490	\$ 9,083,050	\$ 9,816,376	\$ 4,390,164
Accounts receivable	7,093	91	7,093	91
	<u>\$ 5,130,583</u>	<u>\$ 9,083,141</u>	<u>\$ 9,823,469</u>	<u>\$ 4,390,255</u>
<u>LIABILITIES</u>				
Accrued liabilities	\$ 5,130,583	\$ 9,083,141	\$ 9,823,469	\$ 4,390,255
<u>FEE COLLECTION FOR STATE</u>				
<u>ASSETS</u>				
Cash and investments	\$ 1,707,088	\$ 6,442,871	\$ 6,424,899	\$ 1,725,060
<u>LIABILITIES</u>				
Accrued liabilities	\$ 1,707,088	\$ 6,442,871	\$ 6,424,899	\$ 1,725,060
<u>FOOD AND BEVERAGE TAX</u>				
<u>ASSETS</u>				
Cash and investments	\$ 4,737	\$ 12,102,222	\$ 12,061,984	\$ 44,975
<u>LIABILITIES</u>				
Accrued liabilities	\$ 4,737	\$ 12,102,222	\$ 12,061,984	\$ 44,975
<u>OTHER</u>				
<u>ASSETS</u>				
Cash and investments	\$ 479,160	\$ 1,602,211	\$ 1,641,018	\$ 440,353
Accounts receivable	225	1,090	225	1,090
	<u>\$ 479,385</u>	<u>\$ 1,603,301</u>	<u>\$ 1,641,243</u>	<u>\$ 441,443</u>
<u>LIABILITIES</u>				
Accrued liabilities	\$ 479,385	\$ 1,603,301	\$ 1,641,243	\$ 441,443

General Fixed Assets Account Group

The General Fixed Assets Account Group accounts for fixed assets for general governmental operations. Assets of the Solid Waste Enterprise and Internal Service Funds are not included.

MECKLENBURG COUNTY, NORTH CAROLINA
 GENERAL FIXED ASSETS GROUP
 COMPARATIVE SCHEDULE OF GENERAL FIXED ASSETS BY SOURCES
 JUNE 30, 2000 AND 1999

<u>GENERAL FIXED ASSETS</u>	<u>2000</u>	<u>1999</u>
Land and improvements	\$ 137,234,999	\$ 122,193,839
Buildings and improvements	274,204,561	268,761,513
Vehicles and heavy equipment	2,665,508	2,289,554
Furniture, machinery and equipment	15,681,008	15,787,695
Construction-in-progress	37,256,185	12,062,470
 TOTAL GENERAL FIXED ASSETS	 <u>\$ 467,042,261</u>	 <u>\$ 421,095,071</u>
 <u>INVESTMENT IN GENERAL FIXED ASSETS</u>		
General Fund revenue	\$ 54,599,728	\$ 52,776,404
Federal and State grants	3,467,596	3,083,675
General purpose bonds	400,219,384	357,541,389
Donated property	8,525,923	7,463,973
Property appraisals due to trade of property	229,630	229,630
 TOTAL INVESTMENT IN GENERAL FIXED ASSETS	 <u>\$ 467,042,261</u>	 <u>\$ 421,095,071</u>

MECKLENBURG COUNTY, NORTH CAROLINA
GENERAL FIXED ASSETS GROUP
SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION
JUNE 30, 2000
WITH COMPARATIVE TOTALS FOR JUNE 30, 1999

	Land and Improvements	Buildings and Improvements	Vehicles and Heavy Equipment	Furniture Machinery and Equipment	Construction- in- Progress	Totals	
						2000	1999
Policy Development and Managment Services	\$ -	\$ -	\$ -	\$ 240,409	\$ -	\$ 240,409	\$ 205,708
Corporate Support Services	5,860,517	38,621,085	-	2,441,112	-	46,922,714	44,611,733
Regulatory and Operational Services	1,200,606	4,520,085	1,507,078	1,701,045	-	8,928,814	8,703,309
Community Services	119,127,361	29,280,867	1,127,548	6,676,616	4,105,141	160,317,533	143,292,446
Public Safety and Court Support Services	10,073,519	170,420,057	13,668	1,632,994	31,981,786	214,122,024	189,411,107
Health and Human Services	972,996	31,316,669	17,214	2,988,832	-	35,295,711	34,824,970
Government Relations	-	45,798	-	-	1,169,258	1,215,056	45,798
TOTAL GENERAL FIXED ASSETS	<u>\$ 137,234,999</u>	<u>\$ 274,204,561</u>	<u>\$ 2,665,508</u>	<u>\$15,681,008</u>	<u>\$ 37,256,185</u>	<u>\$ 467,042,261</u>	<u>\$ 421,095,071</u>

General Long-Term Debt Account Group

The General Long-Term Debt Account Group accounts for long-term obligations of the County including bonded debt, accrued vacation and sick leave, capital leases, certificates of participation and unfunded pension liability. The liabilities of the Solid Waste Enterprise and Internal Service Funds are not included.

MECKLENBURG COUNTY, NORTH CAROLINA
GENERAL LONG-TERM DEBT GROUP
COMPARATIVE STATEMENT OF LONG-TERM DEBT
JUNE 30, 2000 AND 1999

	<u>2000</u>	<u>1999</u>
AMOUNT TO BE PROVIDED FOR PAYMENT OF LONG TERM DEBT		
Amount to be provided for payment of capital leases	\$ 11,904,926	\$ 9,247,431
Amount to be provided for payment of certificates of participation	25,000,000	-
Amount to be provided for accrued vacation and sick leave	13,541,138	12,645,126
Amount to be provided for unfunded pension liability	749,737	664,252
Amount to be provided for payment of general purpose serial bonds	<u>1,104,050,745</u>	<u>1,059,452,511</u>
TOTAL TO BE PROVIDED	<u>\$ 1,155,246,546</u>	<u>\$1,082,009,320</u>
<u>GENERAL LONG-TERM DEBT PAYABLE</u>		
Capital leases	11,904,926	9,247,431
Certificates of participation	25,000,000	-
Accrued vacation and sick leave	13,541,138	12,645,126
Unfunded pension liability	749,737	664,252
General purpose serial bonds	<u>1,104,050,745</u>	<u>1,059,452,511</u>
TOTAL GENERAL LONG-TERM DEBT PAYABLE	<u>\$ 1,155,246,546</u>	<u>\$1,082,009,320</u>

J-2

MECKLENBURG COUNTY
SCHEDULE OF BONDS PAYABLE
JUNE 30, 2000

	Issue Date	Due Serially To	Average Interest Rate	Original Issue	Balance July 1, 1999	Sold	Retired	Balance June 30, 2000	Interest Paid In Current Year
Public Improvements Refunding Bonds 1986	July 1, 1986	2004	7.1686	\$ 102,300,000	\$ 3,650,000	\$ -	\$ 755,000	\$ 2,895,000	\$ 243,555
Variable Rate Demand Bonds 1988	June 1, 1988	2000	Variable	10,000,000	1,000,000	-	1,000,000	-	36,701
Public Improvements 1991 - Series A	October 1, 1991	2001	6.1713	15,520,000	1,150,000	-	575,000	575,000	70,151
Public Improvements 1991 - Series B	October 1, 1991	2001	6.1713	53,000,000	3,850,000	-	1,925,000	1,925,000	234,851
Public Improvements Refunding Bonds 1992	March 1, 1992	2005	5.6017	164,240,000	72,950,000	-	14,055,000	58,895,000	4,150,848
Public Improvements Refunding Bonds 1993	October 1, 1993	2012	4.6630	272,295,000	214,015,000	-	13,535,000	200,480,000	9,672,408
Public Improvements 1993	October 1, 1993	2011	4.6679	18,400,000	14,650,000	-	750,000	13,900,000	683,050
Public Improvements 1994	April 1, 1994	2013	5.4293	197,215,000	173,715,000	-	7,000,000	166,715,000	9,425,325
Public Improvements 1996 - Series A	March 1, 1996	2013	4.8623	22,000,000	19,375,000	-	875,000	18,500,000	937,175
Public Improvements 1996 - Series B	March 1, 1996	2013	4.8623	225,895,000	198,625,000	-	9,125,000	189,500,000	9,607,825
Variable Rate Demand Bonds 1996	March 1, 1996	2015	Variable	50,000,000	50,000,000	-	-	50,000,000	1,808,186
Public Improvements 1998A	February 1, 1998	2016	4.4150	31,000,000	30,000,000	-	1,300,000	28,700,000	1,319,300
Public Improvements 1998B	February 1, 1998	2016	4.4150	257,050,000	248,000,000	-	10,700,000	237,300,000	10,905,200
Variable Rate Demand Bonds 1998	February 1, 1998	2018	Variable	50,000,000	50,000,000	-	-	50,000,000	1,817,888
Public Improvements 2000A	February 1, 2000	2010	4.9827	34,000,000	-	34,000,000	-	34,000,000	-
Public Improvements 2000B	February 1, 2000	2010	4.9827	20,000,000	-	20,000,000	-	20,000,000	-
Variable Rate Demand Bonds 2000	February 1, 2000	2020	Variable	50,000,000	-	50,000,000	-	50,000,000	743,101
				<u>\$1,572,915,000</u>	<u>\$1,080,980,000</u>	<u>\$104,000,000</u>	<u>\$ 61,595,000</u>	<u>\$1,123,385,000</u>	<u>\$51,655,564</u>

The bonds are recorded as follows:

General Long-term Debt Account Group
Solid Waste Enterprise Fund

\$1,104,050,745
19,334,255
\$1,123,385,000

Taxes and Intergovernmental Revenue

The Taxes and Intergovernmental Revenue Section contains a summary of general property tax revenue and inter-governmental revenue for all funds.

MECKLENBURG COUNTY, NORTH CAROLINA
SUMMARY OF GENERAL PROPERTY TAX REVENUE
FOR THE YEAR ENDED JUNE 30, 2000
WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED JUNE 30, 1999

	<u>2000</u>	<u>1999</u>
Property taxes and penalties	\$437,666,691	\$388,850,913
Interest collected on taxes	1,879,691	1,661,529
Collection of taxes levied prior to 1991	<u>141,285</u>	<u>90,817</u>
Total	439,687,667	390,603,259
Less: Tax releases and adjustments from changed valuations and other causes	<u>(3,787,757)</u>	<u>(3,997,487)</u>
TOTAL GENERAL PROPERTY TAX REVENUE	<u><u>\$435,899,910</u></u>	<u><u>\$386,605,772</u></u>

MECKLENBURG COUNTY, NORTH CAROLINA
SUMMARY OF INTERGOVERNMENTAL REVENUE
FOR THE YEAR ENDED JUNE 30, 2000
WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED JUNE 30, 1999

	<u>2000</u>	<u>1999</u>
<u>FEDERAL AND STATE</u>		
General Fund	\$159,754,212	\$133,047,517
Special Revenue Funds	177,532	162,070
Capital Projects Funds	37,023,446	14,243,112
Expendable Trust Funds	671,550	959,424
	<u>197,626,740</u>	<u>148,412,123</u>
 <u>LOCAL</u>		
General Fund	2,454,160	2,090,082
Special Revenue Funds	5,440	-
Capital Projects Funds	-	10,730
Expendable Trust Funds	62,184	-
Internal Service Funds	133,073	671,470
	<u>2,654,857</u>	<u>2,772,282</u>
 TOTAL INTERGOVERNMENTAL REVENUE	 <u><u>\$200,281,597</u></u>	 <u><u>\$151,184,405</u></u>

Statistical

The tables in this section provide trends, statistical and demographic information.

Table 1

MECKLENBURG COUNTY, NORTH CAROLINA
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Policy Development and Management Support Services	Corporate Support Services	Regulatory and Operational Services	Community Services	Public Safety and Court Support Services	Health and Human Services	Government Relations	Capital Outlay				Totals
2000	\$59,601,506	\$14,193,760	\$36,244,290	\$ 27,764,016	\$70,522,123	\$243,535,524	\$338,317,242	\$ 157,205,470				\$947,383,931
1999	58,520,130	13,618,487	33,135,349	24,605,570	67,079,637	225,327,910	289,491,785	131,057,532				842,836,400
1998	54,329,235	12,686,596	29,044,651	22,431,706	62,865,560	211,283,110	244,283,179	179,704,378				816,628,415
1997	58,495,864	10,510,880	27,656,754	20,038,532	56,940,759	192,806,163	234,538,787	139,472,325				740,460,064
1996	49,422,129	9,924,393	23,561,198	18,447,595	46,330,341	183,841,587	234,049,717	137,331,293				702,908,253
	General Government	Supportive Court Services	Protection of Persons and Property	Community Services	Public Works	Human Services	Education	Non- Departmental	Capital Outlay	Debt Service	Totals	
1995	16,548,212	35,521,914	34,152,254	24,775,820	6,101,051	183,594,583	139,640,201	40,239,419	117,164,961	62,619,907	660,358,322	
1994	17,234,541	29,959,447	31,680,425	24,971,495	4,809,836	163,993,990	128,566,969	40,026,230	97,039,207	53,774,154	592,056,294	
1993	16,281,819	25,365,297	32,209,302	22,369,043	4,390,360	146,422,810	122,141,119	26,830,591	80,290,733	51,755,427	528,056,501	
1992	15,956,611	24,175,172	30,707,531	24,655,373	4,259,327	132,881,032	114,316,262	4,388,332	83,451,609	41,640,353	476,431,602	
1991	13,941,371	17,380,479	27,564,114	21,297,717	4,094,845	120,678,468	110,282,202	3,560,944	78,829,753	43,760,687	441,390,580	

Notes:

Includes General, Special Revenue, Capital Projects and Expendable Trust Funds.
Since 1996 Mecklenburg uses core business classifications.

Table 2

MECKLENBURG COUNTY, NORTH CAROLINA
GENERAL REVENUES BY SOURCE (1)
LAST TEN FISCAL YEARS

<u>Fiscal Year Ended June 30,</u>	<u>Taxes and Assessments</u>	<u>Licenses and Permits</u>	<u>Inter- governmental</u>	<u>Charges for Services</u>	<u>Other (2)</u>	<u>Totals</u>
2000	\$582,035,583	\$17,911,117	\$200,148,524	\$53,282,317	\$31,607,381	\$884,984,922
1999	493,980,193	16,086,280	150,512,935	53,270,060	29,603,413	743,452,881
1998	446,426,815	14,180,230	144,991,571	47,794,890	34,584,128	687,977,634
1997	432,740,794	10,541,464	136,080,071	34,906,649	33,775,374	648,044,352
1996	414,271,538	10,015,956	126,768,449	39,711,614	23,197,209	613,964,766
1995	396,903,559	9,264,126	106,727,829	34,023,129	21,780,150	568,698,793
1994	387,219,650	8,060,009	92,083,722	27,125,607	15,627,900	530,116,888
1993	339,415,288	6,323,261	75,092,565	24,312,213	14,574,839	459,718,166
1992	299,748,757	5,490,246	73,906,682	19,058,600	15,325,796	413,530,081
1991	264,129,824	4,623,541	65,765,420	14,929,539	19,684,502	369,132,826

Notes:

(1) Includes General, Special Revenue, Capital Projects and Expendable Trust Funds.

(2) Includes interest earned on investments, administrative charges and other.

Table 3

MECKLENBURG COUNTY, NORTH CAROLINA
GENERAL FUND TAX REVENUE BY SOURCE
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	<u>Total</u>	<u>General Property (1)</u>	<u>Sales</u>	<u>Intangibles(2)</u>	<u>Room Occupancy</u>	<u>Other</u>
2000	\$542,710,974	\$434,642,910	\$107,109,132	\$ -	\$ 868,039	\$ 90,893
1999	485,125,596	385,203,274	98,800,802	-	1,083,285	38,235
1998	435,738,263	341,101,301	93,423,992	-	1,141,433	71,537
1997	422,688,823	325,508,369	96,021,661	-	1,110,417	48,376
1996	413,071,538	330,166,397	81,735,007	-	1,134,921	35,213
1995	395,618,559	320,621,331	72,832,732	1,118,174	1,013,256	33,066
1994	387,219,650	307,755,503	66,445,318	12,077,176	905,732	35,921
1993	339,415,288	280,024,373	46,964,636	11,522,655	790,242	113,382
1992	299,748,757	238,339,371	50,206,434	10,366,983	733,713	102,256
1991	264,129,824	203,813,016	48,585,928	10,998,086	631,244	101,550

Notes:

(1) Includes interest on delinquent taxes.

(2) Intangibles tax was repealed and a reimbursement was initiated beginning in fiscal year 1996 and is reported in the General Fund as Intergovernmental - State Revenue.

Table 4

MECKLENBURG COUNTY, NORTH CAROLINA
PROPERTY TAX LEVIES, TAX COLLECTIONS AND CREDITS
LAST TEN FISCAL YEARS

<u>Fiscal Year Ended June 30,</u>	<u>Tax Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections to Tax Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Percent of Delinquent Taxes to Tax Levy</u>
2000	1999	\$ 440,731,629	\$429,493,650	97.45%	\$8,173,138	\$437,666,788	99.30%	\$21,676,929	4.92%
1999	1998	392,471,397	381,520,070	97.21	7,330,924	388,850,994	99.08	21,200,392	5.40
1998	1997	349,395,228	340,196,430	97.37	6,769,605	346,966,035	99.30	19,733,333	5.65
1997	1996	332,781,981	324,375,218	97.47	5,642,197	330,017,415	99.17	18,737,412	5.63
1996	1995	336,708,024	329,841,306	97.96	5,377,387	335,218,693	99.56	17,092,527	5.08
1995	1994	328,591,611	321,860,507	97.95	4,003,664	325,864,171	99.17	16,089,085	4.90
1994	1993	311,312,041	305,965,766	98.28	3,286,408	309,252,174	99.34	13,925,841	4.47
1993	1992	281,752,163	277,695,755	98.56	3,475,983	281,171,738	99.79	12,314,910	4.37
1992	1991	241,841,681	237,014,408	98.00	2,521,972	239,536,380	99.05	12,097,848	5.00
1991	1990	207,014,524	202,974,729	98.05	1,922,735	204,897,464	98.98	10,320,841	4.99

Notes:

Collections include rebates, but interest on taxes is not included.

Collections received are as of June 30th of the applicable year.

See Exhibit K-1 for collections against original levy.

Excludes Law Enforcement Service District.

TABLE 5

MECKLENBURG COUNTY, NORTH CAROLINA
TAX REVENUE
FOR THE YEAR ENDED JUNE 30, 2000

Tax Year	Fiscal Year Ended June 30,	Assessed Valuation (1)	County-Wide Rate	Levy	Collections and Credits to June 30, 1999	Taxes Receivable July 1, 1999	Collections and Credits	Writeoffs (2)	Net Taxes Receivable June 30, 2000	Plus: Bankruptcies (4)	Taxes Receivable June 30, 2000
1999	2000	\$60,401,969,125	\$.73	\$ 440,731,629	\$ -	\$ -	\$ 429,493,650	\$ -	\$ 11,237,979	\$ -	\$ 11,237,979
1998	1999	57,080,405,642 (3)	.685	392,471,397	381,520,070	10,951,327	6,302,592	-	4,648,735	-	4,648,735
1997	1998	47,876,894,849	.73	349,395,228	345,774,660	3,620,568	882,036	991,105	1,747,427	388,133	2,135,560
1996	1997	45,407,072,470	.73	332,781,981	330,988,143	1,793,838	344,947	762,420	686,471	344,479	1,030,950
1995	1996	41,830,623,848	.8050	336,708,024	336,028,988	679,036	243,646	-	435,390	343,111	778,501
1994	1995	40,860,606,101	.8050	328,591,611	327,291,197	1,300,414	152,402	-	1,148,012	278,075	1,426,087
1993	1994	38,536,917,481	.8095	311,312,041	311,033,749	278,292	94,363	-	183,929	293,209	477,138
1992	1993	37,083,600,937	.76	281,752,163	281,004,589	747,574	78,812	-	668,762	626,136	1,294,898
1991	1992	36,910,038,828 (3)	.655	241,841,681	240,870,800	970,881	50,657	-	920,224	742,750	1,662,974
1990	1991	28,951,481,316	.7075	207,014,524	206,156,062	858,462	23,683	834,779	-	-	-
				<u>\$ 3,222,600,279</u>	<u>\$ 2,760,668,258</u>	<u>\$ 21,200,392</u>	<u>\$ 437,666,788</u>	<u>\$ 2,588,304</u>	<u>\$ 21,676,929</u>	<u>\$ 3,015,893</u>	<u>\$ 24,692,822</u>

Notes:

(1) Assessed valuation based on 100% assessment ratio.

(2) Vehicle writeoffs and ten-year statute of limitations writeoff.

(3) Revaluation

(4) Levy and taxes receivable are shown net of bankruptcies because collection is possible but not likely and cannot be written off for ten years.

Table 6

MECKLENBURG COUNTY, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY
JUNE 30, 2000

	Countywide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current year's rate	\$ 54,383,097,530	\$0.730	\$ 396,996,612	\$ 396,996,612	\$ -
Motor vehicles taxed at current year's rate	3,612,519,038	0.730	26,371,389	-	26,371,389
Motor vehicles taxed at prior year's rate	<u>2,205,074,680</u>	0.685	<u>15,104,762</u>	<u>-</u>	<u>15,104,762</u>
Total	<u>60,200,691,248</u>		<u>438,472,763</u>	<u>396,996,612</u>	<u>41,476,151</u>
Discoveries:					
Prior year taxes	201,277,877	Various	1,454,113	1,454,113	-
Penalties	<u>-</u>		<u>804,753</u>	<u>804,753</u>	<u>-</u>
Total	<u>201,277,877</u>		<u>2,258,866</u>	<u>2,258,866</u>	<u>-</u>
Rebates	<u>(460,569,964)</u>		<u>(3,325,417)</u>	<u>(2,290,140)</u>	<u>(1,035,277)</u>
Total net property valuation	<u><u>\$ 59,941,399,161</u></u>				
Net levy			437,406,212	396,965,338	40,440,874
Uncollected taxes at June 30, 2000			<u>11,237,979</u>	<u>5,776,732</u>	<u>5,461,247</u>
Current year's taxes collected			<u>\$ 426,168,233</u>	<u>\$ 391,188,606</u>	<u>\$ 34,979,627</u>
Current net levy collection percentage			<u>97.43%</u>	<u>98.54%</u>	<u>86.50%</u>

Table 7

MECKLENBURG COUNTY, NORTH CAROLINA
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY (1)
 LAST TEN FISCAL YEARS
 (IN MILLIONS)

<u>Fiscal Year Ended June 30,</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>State Certi- fications</u>	<u>Less Elderly Exemptions</u>	<u>Total Assessed Valuation (2)</u>
2000	\$ 44,993.6	\$11,735.6	\$3,723.3	\$ (50.6)	60,401.9
1999	42,925.1	10,611.9	3,595.3	(51.9)	57,080.4
1998	34,048.4	10,035.9	3,843.6	(51.0)	47,876.9
1997	33,010.4	8,629.7	3,807.3	(40.3)	45,407.1
1996	30,783.4	7,405.5	3,685.4	(43.7)	41,830.6
1995	30,351.9	7,014.5	3,541.2	(47.0)	40,860.6
1994	28,354.5	6,591.7	3,629.9	(39.2)	38,536.9
1993	28,053.8	5,468.4	3,603.2	(41.8)	37,083.6
1992	27,825.4	5,673.2	3,454.8	(43.4)	36,910.0
1991	20,785.0	4,892.8	3,318.5	(44.8)	28,951.5

Notes:

- (1) Assessed valuations are established by the Board of County Commissioners at 100% of estimated market value for real property and 100% of actual value for all other property. A revaluation of real property is required by North Carolina General Statutes at least every eight years. The last revaluation was completed for fiscal year 1999.
- (2) Assessed valuations equals estimated actual value, which approximates market value.

Table 8

MECKLENBURG COUNTY, NORTH CAROLINA
PROPERTY TAX RATES PER \$100 ASSESSED VALUATION
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

<u>Fiscal Year Ended June 30,</u>	<u>Mecklenburg County</u>	<u>Charlotte</u>	<u>Cornelius</u>	<u>Davidson</u>	<u>Huntersville</u>	<u>Matthews</u>	<u>Mint Hill</u>	<u>Pineville</u>
2000	\$.73	\$.467	\$.26	\$.315	\$.26	\$.23	\$.235	\$.21
1999 (1)	.685	.472	.26	.315	.26	.23	.235	.21
1998	.73	.525	.31	.345	.29	.255	.26	.24
1997	.73	.525	.31	.345	.32	.255	.23	.24
1996	.8050	.428	.25	.235	.32	.16	.135	.19
1995	.8050	.428	.2825	.215	.34	.16	.135	.20
1994	.8095	.428	.2825	.20	.39	.16	.135	.20
1993	.76	.436	.34	.20	.39	.16	.15	.20
1992 (1)	.655	.55	.38	.20	.40	.225	.15	.14
1991	.7075	.6275	.465	.22	.42	.25	.15	.18

(1) Revaluation

Source (other than Mecklenburg County): North Carolina Tax Research Division

Table 9

MECKLENBURG COUNTY, NORTH CAROLINA
PROPERTY TAX LEVIES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Mecklenburg County	Charlotte (2)	Cornelius	Davidson	Huntersville	Matthews	Mint Hill	Pineville
2000	\$440,731,629	\$206,906,214	\$4,134,734	\$1,830,268	\$ 4,734,381	\$4,496,288	\$2,466,078	\$1,583,987
1999	392,471,397	199,205,489	2,826,410	1,622,929	3,564,829	3,806,270	2,365,107	1,498,292
1998	349,395,228 (1)	182,891,375	2,710,111	1,355,075	2,665,381	3,907,322	2,159,548	1,461,343
1997	332,781,981 (1)	159,040,078	2,496,261	1,157,197	2,358,959	3,503,584	1,849,942	1,384,520
1996	336,708,024 (1)	125,572,586	1,865,666	707,805	1,956,430	2,096,389	1,100,272	1,067,410
1995	328,591,611 (1)	110,830,238	1,191,032	569,527	1,268,863	1,847,608	938,240	1,034,205
1994	311,312,041 (1)	111,911,072	1,124,488	478,689	1,477,405	1,813,327	914,339	1,052,773
1993	281,752,163 (1)	110,615,409	1,271,177	497,504	645,118	1,734,293	930,143	996,487
1992	241,841,681 (1)	136,784,135	805,988	469,036	617,259	2,643,783	901,140	644,024
1991	207,014,524	124,856,401	771,041	315,064	508,416	2,126,796	733,627	526,312

(1) Net of bankruptcies.

(2) Does not include levy for downtown special districts.

Table 10

MECKLENBURG COUNTY, NORTH CAROLINA
 RATIO OF NET BONDED DEBT TO ASSESSED VALUATION
 AND NET BONDED DEBT PER CAPITA
 LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Population Estimate	Assessed Value	Gross Bonded Debt	Less Debt Payable from Enterprise Fund	Net Bonded Debt	Percent of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2000	661,091	\$ 60,401,969,125	\$ 1,123,385,000	\$ 19,334,255	\$1,104,050,745	1.83%	\$1,670
1999	644,338	57,080,405,642	1,080,980,000	21,527,489	1,059,452,511	1.86	1,644
1998	628,010	47,876,894,849	1,140,955,000	23,855,158	1,117,099,842	2.33	1,779
1997	612,095	45,407,072,470	851,805,000	26,000,496	825,804,504	1.82	1,349
1996	596,875	41,830,623,848	899,095,000	28,143,772	870,951,228	2.08	1,459
1995	581,466	40,860,606,101	638,495,000	49,423,188	589,071,812	1.44	1,013
1994	566,731	38,536,917,481	671,520,000	53,560,364	617,959,636	1.60	1,090
1993	552,300	37,083,600,937	458,740,000	54,264,669	404,475,331	1.09	732
1992	538,373	36,910,038,828	486,990,000	57,418,148	429,571,852	1.16	798
1991	524,730	28,951,481,316	330,610,000	30,906,930	299,703,070	1.04	571

Table 11

MECKLENBURG COUNTY, NORTH CAROLINA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
GENERAL OBLIGATION BONDS
FOR THE YEAR ENDED JUNE 30, 2000

	Assessed Valuation (1)	Percent of Assessed Valuation to Countywide Total	Pro Rata Share of Countywide Debt	Municipalities' Debt (2)	Total Overlapping Debt
<u>Mecklenburg County:</u>					
Charlotte	\$44,272,282,471	74.00%	\$ 831,304,900	\$ 885,710,000	\$ 1,717,014,900
Cornelius	1,590,282,478	2.66	29,882,041	-	29,882,041
Davidson	581,037,376	0.97	10,896,835	-	10,896,835
Huntersville	1,820,915,710	3.04	34,150,904	20,000	34,170,904
Matthews	1,952,632,476	3.26	36,622,351	7,050,000	43,672,351
Mint Hill	1,049,394,860	1.75	19,659,237	9,025,000	28,684,237
Pineville	754,280,117	1.26	14,154,651	710,000	14,864,651
Unincorporated Areas	<u>7,805,740,192</u>	<u>13.06</u>	<u>146,714,081</u>	<u>-</u>	<u>146,714,081</u>
Countywide Totals	<u><u>\$59,826,565,680</u></u>	<u><u>100.00%</u></u>	<u><u>\$1,123,385,000</u></u>	<u><u>\$902,515,000</u></u>	<u><u>\$2,025,900,000</u></u>

Notes:

(1) Provided by N.C. Department of Revenue, Tax Research Division. Includes valuations of classified registered motor vehicles for which tax notices were issued in accordance with G.S. 105-330.5(a) on or before December 31, 1999, net of releases made by that date.

(2) Provided by Department of State Treasurer.

Table 12

MECKLENBURG COUNTY, NORTH CAROLINA
COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 2000

Assessed Value		\$60,401,969,125
Debt Limit 8 percent of Assessed Value		<u>x.08</u>
Amount of Debt Applicable to Debt Limit:		4,832,157,530
Total Bonded Debt	\$1,123,385,000	
Bonds Authorized and Unissued	977,800,000	
Less:		
Other deductions allowed by North Carolina General Statutes:		
Refunding Bonds Authorized	<u>200,000,000</u>	
Total Amount of Debt Applicable to Debt Limit		<u>1,901,185,000</u>
Legal Debt Margin		<u>\$ 2,930,972,530</u>

Table 13

MECKLENBURG COUNTY, NORTH CAROLINA
 RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
 FOR GENERAL OBLIGATION BONDED DEBT (1)
 TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
 LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Principal	Interest on Bonds	Other	Total Debt Service	Total Expenditures (2)	Ratio of Debt Service to Total Expenditures
2000	\$59,401,766	\$50,781,314	\$ 395,269	\$ 110,578,349	\$ 947,383,931	11.67%
1999	57,647,331	53,241,536	546,179	111,435,046	842,836,400	13.22
1998	46,754,662	41,532,081	155,718	88,442,461	816,628,415	10.83
1997	45,146,724	42,525,572	154,729	87,827,025	740,460,064	11.86
1996	35,155,819	30,917,830	53,893	66,127,542	702,908,253	9.41
1995	28,887,827	31,312,709	340,369	60,540,905	660,358,322	9.17
1994	28,332,357	22,443,046	1,233,686	52,009,089	592,056,294	8.79
1993	25,096,521	24,711,261	419,502	50,227,284	528,056,501	9.51
1992	17,797,481	18,700,386	4,970,807	41,468,674	476,431,602	8.70
1991	22,157,220	21,419,241	184,225	43,760,686	441,390,580	9.91

Notes:

- (1) General obligation bond debt service reported in the Enterprise Fund has been excluded.
- (2) Includes General, Special Revenue, Debt Service, Capital Projects, and Expendable Trust Funds. Debt Service Fund combined with the General Fund beginning fiscal year 1991.

Table 14

MECKLENBURG COUNTY, NORTH CAROLINA
SPECIAL ASSESSMENTS BILLINGS AND COLLECTIONS
LAST TEN FISCAL YEARS

<u>Fiscal Year Ended June 30,</u>	<u>Special Assessments Billings</u>	<u>Special Assessments Collected</u>
2000	\$ 11,584	\$ 8,142
1999	16,196	49,065
1998	22,998	59,080
1997	12,932	14,804
1996	13,632	13,520
1995	14,300	25,912
1994	8,476	89,130
1993	12,828	14,865
1992	15,610	18,225
1991	15,388	14,198

Table 15

MECKLENBURG COUNTY, NORTH CAROLINA
DEMOGRAPHIC STATISTICS
LAST TEN YEARS

<u>Year</u>	<u>Population</u>	<u>Per Capita Income</u>	<u>Median Age</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
2000	661,091	N/A	N/A	100,368	2.4% (1)
1999	644,338	\$21,783	34.3	98,542	1.9
1998	628,010	20,997	33.8	95,797	2.4
1997	612,095	20,099	33.6	92,994	2.6
1996	596,875	18,705	33.3	88,854	3.0
1995	581,466	17,736	33.1	85,240	3.1
1994	566,731	19,656	33.0	82,069	3.5
1993	552,300	18,692	32.7	79,543	4.3
1992	538,373	17,584	32.5	77,269	5.0
1991	524,730	16,732	32.1	76,382	4.8

Note (1) Monthly average - January through June

Sources: Charlotte Chamber of Commerce
N.C. Office Of State Planning
Charlotte-Mecklenburg Schools

Table 16

MECKLENBURG COUNTY, NORTH CAROLINA
CONSTRUCTION, BANK DEPOSITS AND PROPERTY VALUE
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Construction (1)(2)				Bank Deposits (2) (in thousands)	Assessed Valuation (in millions)		
	Non-Residential		Residential			Commercial	Residential	Exempt
	Number of Building Permits	Value (in millions)	Number of Building Permits	Value (in millions)				
2000	5,157	1,219.7	14,249	1,601.3	N/A	\$25,115.3	\$35,337.3	(\$50.7)
1999	5,119	1,034.9	13,786	1,257.6	26,742,577	23,709.6	33,422.7	(51.9)
1998	5,314	836.2	10,321	1,036.1	23,204,399	20,870.0	27,057.9	(51.0)
1997	3,052	675.5	10,998	1,036.9	11,937,049	20,206.0	25,241.4	(40.3)
1996	3,262	689.8	9,096	863.1	12,084,378	18,483.0	23,391.3	(43.7)
1995	3,645	643.8	8,408	760.6	9,356,772	18,325.4	22,582.2	(47.0)
1994	5,131	444.2	6,315	622.1	9,018,918	17,150.3	21,425.8	(39.2)
1993	5,313	392.6	5,109	514.1	7,558,341	17,776.5	19,348.9	(41.8)
1992	5,453	385.3	4,287	364.7	10,438,120	18,125.1	18,828.3	(43.4)
1991	4,649	528.0	5,835	424.3	8,230,750	14,692.6	14,303.7	(44.8)

Notes: (1) Calendar year figures.

(2) Provided by Chamber of Commerce.

Table 17

MECKLENBURG COUNTY, NORTH CAROLINA
PRINCIPAL TAXPAYERS
JUNE 30, 2000

<u>Firm</u>	<u>Enterprise</u>	<u>Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Duke Energy Corporation	Utility	\$2,387,557,383	3.95%
Bank of America	Financial Services	698,430,344	1.16
First Union National Bank of North Carolina	Financial Services	643,873,470	1.07
BellSouth Telecommunications	Utility	600,687,764	0.99
US Airways, Incorporated	Transportation	381,553,036	0.63
Piedmont Natural Gas Company, Inc.	Utility	257,180,155	0.43
CK / Childress Klein	Property Management	223,011,974	0.37
IBM	Data Processing	192,760,633	0.32
Carolina Stadium	Football Stadium	180,545,883	0.30
General Tire	Manufacture	<u>129,924,531</u>	<u>0.21</u>
		<u><u>\$5,695,525,173</u></u>	<u><u>9.43%</u></u>

Table 18

MECKLENBURG COUNTY, NORTH CAROLINA
MISCELLANEOUS STATISTICS
JUNE 30, 2000

Date of Establishment	1,762
Form of Government	County Manager
Area	541 square miles
Number of Street Lights (1)	54,051
Miles of Streets:	
City-maintained	1,899
State-maintained	1,092
Non-maintained	44
Fire Protection:	
Volunteer fire stations	18
Volunteer firemen	640
Fire Marshall and Assistants	8
Police:	
Stations	1
Officers	1,533
Patrol Units	727
Public Education:	
Schools	143
Classrooms	5,104
Teachers	7,227
Students	100,368
Building Permits Issued (2)	19,406
Recreation and Culture:	
Parks and Greenways	122
Golf Courses	5
Historic Sites	4
Libraries	22
Total volumes	Approximately 1.6 million
Employees:	
Full-time Permanent	4,267
Other	532

Notes:

- (1) Includes City of Charlotte only
- (2) Calendar Year 1999